Annual Comprehensive Financial Report

Year Ended
September 30, 2024

NRH

About the Cover

Depicted on the cover you will see the historical pictures taken throughout the years to commemorate this milestone.

The North Richland Hills area was first settled in the 1840s and remained a rural farming and ranching community for more than 100 years. In 1952, Clarence Jones subdivided his 268-acre dairy farm into a suburban neighborhood. In 1953, the new homeowners formed the North Richland Hills Civic League and sought to have the area annexed to Richland Hills, then voted to form their own city when annexation was denied. Although turnout for the election was light, in a vote of 24-23, North Richland Hills was incorporated by just one vote! The Jones Farm, with 182 homes, became the City of North Richland Hills. The community quickly grew as more farmland was developed and by 1960 the town of Smithfield had been annexed to North Richland Hills.

Today, with approximately 73,311 residents, 1,200 businesses and 30 major employers, North Richland Hills is the fourth largest city in Tarrant County. Residents enjoy our welcoming and neighborly atmosphere and family-friendly amenities including a modern public library and recreation center, more than 800 acres of parkland, 30 miles of hike and bike trails, the award-winning Iron Horse Golf Course and NRH$_2$O Family Water Park. Superior schools, a wide range of housing options and convenient access to all the Dallas-Fort Worth region has to offer, make North Richland Hills an outstanding community in which to live, work and play!

Created by: Budget & Research Department

Historical Pictures provided by: Communications Department

Background photo provided by: www.creativemarket.com

CITY OF NORTH RICHLAND HILLS, TEXAS

Annual Comprehensive Financial Report
Year Ended September 30, 2024

City Officials

Jack McCarty
Mayor

Tito Rodriguez Place 1	Ricky Rodriguez Associate Mayor Pro Tem Place 2	Suzy Compton Place 3
Matt Blake Place 4	Blake Vaughn Deputy Mayor Pro Tem Place 5	Russ Mitchell Place 6

Kelvin Deupree
Mayor Pro Tem
Place 7

Paulette Hartman
City Manager

Trudy Lewis
Assistant City Manager

Caroline Waggoner
Assistant City Manager

Jay Patel
Director of Finance

Prepared by: Finance Department

NORTH RICHLAND HILLS
City of Choice

ACKNOWLEDGEMENTS

The Annual Comprehensive Financial Report was prepared by the Department of Finance, Office of Accounting:

Paulette Hartman
City Manager

Trudy Lewis
Assistant City Manager

Jay Patel
Director of Finance

Financial Reporting Staff
Jamie Moore, CPA, Accounting Manager
Amanda Brown, Accountant II
Robin Berger, Accountant I
Rachel Clements, Grants Specialist
Donna Carman, Accounting Technician
Jazmin Magana, Accounting Technician II

Special appreciation is given to:

Budget & Research Department
Chasse Fosse, Director of Budget and Research
Christopher Orozco, Senior Budget Analyst
JAson Hammett, Budget Analyst

Human Resources Department
Patrick Hillis, Director
Cameron Rowland, Assistant Director
Ellen Cooper, Human Resource Analyst
Stacy Lykins, Payroll Specialist
Sabrina Markum, Benefits Coordinator
Leticia Espinoza, Human Resources Generalist

And to all the departments and personnel throughout the City whose extra effort to contribute timely financial data for their departments made this report possible.

CITY OF NORTH RICHLAND HILLS, TEXAS
TABLE OF CONTENTS

	Page
Introductory Section	
Letter of Transmittal	i
GFOA Certificate of Achievement for Excellence in Financial Reporting	vii
Organization Chart	viii
Principal Officials	ix
Financial Section	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet - Governmental Funds	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Balances -Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Net Position - Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	28
Statement of Cash Flows - Proprietary Funds	29
Statement of Fiduciary Net Position - Fiduciary Fund	30
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	32
Notes to Basic Financial Statements	33
Required Supplementary Information:	
Schedule of Changes in Net Pension Liability and Related Ratios - TMRS	72
Schedule of Pension Contributions - TMRS	73
Schedule of Changes in Net OPEB Liability and Related Ratios	74
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual:	
General Fund	75
Parks and Recreation Development Corporation Fund	76
Notes to Required Supplementary Information	77
Other Supplementary Information:	
Non-major Governmental Funds:	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	88
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual:	
General Debt Service Fund	92
Promotional Fund	93
Donations Fund	94
Special Investigations Fund	95
Drainage Utility Fund	96
Crime Control District Fund	97

	Page	Table
Financial Section (continued)		
Other Supplementary Information: (continued)		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual: (continued)		
Economic Development Fund	98	
Traffic Safety Fund	99	
Gas Development Fund	100	
PEG Access Fee Fund	101	
Court Special Revenue Fund	102	
TIF 3 Debt Service Fund	103	
Internal Service Funds:		
Combining Statement of Net Position	107	
Combining Statement of Revenues, Expenses and Changes in Net Position	108	
Combining Statement of Cash Flows	109	
Proprietary Funds:		
Schedule of Revenues, Expenses and Changes in Net Position - Budget (Non-GAAP Basis) and Actual:		
Utility Fund	110	
Aquatic Park	111	
Golf	112	
Facilities and Construction	113	
Fleet Services	114	
Self Insurance Fund	115	
Information Technology	116	
Statistical Section Financial		
Trends:		
Net Position by Component	121	1
Changes in Net Position	123	2
Fund Balances of Governmental Funds	128	3
Changes in Fund Balances of Governmental Funds	129	4
Revenue Capacity:		
Appraised and Taxable Value of Property	132	5
Property Tax Rates - Direct and Overlapping Governments	133	6
Principal Property Taxpayers	134	7
Property Tax Levies and Collections	136	8
Debt Capacity:		
Ratios of Outstanding Debt by Type	137	9
Direct and Estimated Overlapping Governmental Activities Debt	138	10
Computation of Legal Debt Margin	140	11
Pledged Revenue Coverage	141	12
Demographic and Economic Information:		
Demographic and Economic Statistics	142	13
Principal Employers	144	14
Full-time Equivalent City Government Employees by Function/Program	145	15
Operating Information:		
Operating Indicators by Function/Program	147	16
Capital Asset Statistics by Function/Program	149	17
Glossary	153	

Introductory Section

NORTH RICHLAND HILLS
NRH
1953
TEXAS

NORTH RICHLAND HILLS
NRH
THE CITY OF CHOICE

Department of Finance

April 21, 2025

To the Honorable Mayor, City Council Members, City Manager,
and Residents of the City of North Richland Hills, Texas:

We hereby issue the Annual Comprehensive Financial Report of the City of North Richland Hills, Texas (the "City") for the fiscal year ended September 30, 2024.

This report consists of City management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in the report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles ("GAAP"). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by the CPA firm of Forvis Mazars, LLP, the City's independent auditors. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended September 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. This report is available in the City's separately issued Single Audit Report.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of North Richland Hills

The City, incorporated in 1953, is a growing community located in the heart of the Dallas/Fort Worth Metroplex. The City's estimated population is 73,311 for 2024. The City is also home to over 1,200 commercial and industrial businesses. The fourth largest city in Tarrant County, North Richland Hills ("NRH") is only 10 minutes from downtown Fort Worth and 25 minutes from downtown Dallas. Interstate Loop 820 and Texas 121/183 ("Airport Freeway") traverse the City, providing freeway access to five additional interstates and numerous US and state highways. The City is also conveniently located 10 minutes from Dallas/Fort Worth International Airport and 15 minutes from Alliance Airport. D/FW International Airport has over 1,800 flights daily with non-stop service to all major North American cities and many overseas destinations. The Alliance development facilitates the transport of merchandise through both the Alliance airport and the Burlington Northern/Santa Fe Intermodal Facility.

The City operates under a charter adopted in 1964 which provides for a Council-Manager form of government. The Mayor and seven Council members are elected at large. The City Council is responsible for all matters of policy as well as for levying taxes, securing revenues, authorizing expenditures of City funds, and incurring City debts. The City Manager is directly responsible to the City Council. An organizational chart follows to show the various levels of responsibility.

The City provides a full range of services. These services include police and fire protection; municipal court operations; the construction and maintenance of streets and infrastructure; parks, library, and recreational activities including tennis center operations; neighborhood services activities; planning and inspections; and the operations of a water and wastewater system, a golf course, and a public waterpark. A private contractor, through a franchise agreement, provides solid waste collection and disposal services for the City.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Account records for the City's water and sewer utility and other proprietary activities are measured on an accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations, and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; (2) the evaluation of costs and benefits requires estimates and judgments by management; and (3) the preciseness of estimates must be balanced with the timeliness of financial reporting. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The annual budget serves as the foundation for the City's financial planning and control. The City maintains budgetary controls to ensure compliance with provisions in the annual budget adopted by the City Council. Annual operating budgets are adopted for the General Fund, certain Special Revenue Funds (Promotional, Donations, Special Investigations, Drainage, Parks and Recreation Development, Crime Control District, Gas Development, Public, Educational and Governmental Access Fee, Court Special Revenue and Traffic Safety), Debt Service Funds, Enterprise Funds, and Internal Service Funds. Project-length financial plans are adopted for the Capital Project Funds. The level of budgetary control – the level at which expenditures/expenses cannot legally exceed the appropriated amount – is established at the fund level. Detail control is accomplished by maintaining appropriations, encumbrances, and expended balances by line item within each operating department, within each operating fund. All annual appropriations lapse at the end of the fiscal year and capital project amounts appropriated for the year which are unspent are carried forward to the next fiscal year. Budgetary data for proprietary funds is presented in the Other Supplemental Information section only since reporting on such budgets is not legally required.

Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to September 30, the budget is legally enacted through passage of an ordinance. The appropriated budget is prepared by fund, department, and division. The City Manager is authorized to transfer budgeted amounts between departments within any fund. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Transfers of appropriations between funds are allowed by budget ordinance passed by the City Council. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and Parks and Recreation Development Corporation, comparisons begin on page 75 in the required supplementary information segment of the financial statements. The comparisons for other governmental funds with appropriated annual budgets are presented in the other supplementary information section of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy

The City continues to grow amidst mixed economic conditions, as it remains geographically positioned in between downtown Fort Worth, DFW International Airport and the AllianceTexas Global Logistics Hub. Adjacent to the high socioeconomic cities of Colleyville, Keller and Southlake; the City is the fourth largest in Tarrant County with approximately 73,311 people and is likely to reach 80,000 residents by 2030.

This past year resulted in continued growth from taxable sales, new business and new home starts. Compared to the previous fiscal year, fiscal year 2024 taxable sales grew by $20 million. This figure is expected to increase in fiscal year 2025 onward due to additional business openings, in specific UK based Merlin Entertainment's Peppa Pig Theme Park DFW (www.peppapigthemepark.com/dallas-ft-worth/), that opened in March 2025 and Five Star Parks & Attractions first Texas location for Malibu Jack's (www.malibujacks.net), the largest indoor theme park in Texas, scheduled to open in July 2025. The City has made it a point to become an entertainment destination given its convenient location, and these two additions are expected to bring well over 1 million visitors per year combined.

North Richland Hills also continues to facilitate residential growth, permitting another 226 new single-family homes with an average value over $600,000 with 422 existing lots available for future development. The City's residential growth "by new home start" continues to be the highest amongst Northeast Tarrant County cities.

The business community maintains a diverse mix of 1,200 brick and mortar businesses with 14 primary employers. In fiscal year 2024, the City welcomed 44 office-based businesses occupying 215,000 square feet of office space, whereby the overall occupancy rate sits at 87% across 162 office properties representing 2.9 million square feet. From a retail perspective, the City welcomed 38 businesses, occupying 174,000 square feet increasing occupancy to 94%, a 20-year high, across 405 retail properties representing 5.9 million square feet.

The City continues to experience quality development and revitalization thanks to its strategic location, attractive standards and the ability to reinvent itself. One example is the 52 acres surrounding City Hall, called City Point. A former mall, the $250 million mixed-use redevelopment project includes 60,000 square feet of commercial space, roughly 370 single-family homes and 450 multi-family units. As of March 2025, over 250 homes have been developed and sold, while the first phase of commercial is under construction, a 103-room Homewood Suites by Hilton hotel is expected to start construction in the summer of 2025. Expected to be completed by late 2026 or early 2027, City Point will be home to 2,000+ additional residents, approximately 20 businesses and an upscale hotel.

Long-term financial planning

In November 2020, North Richland Hills voters approved a $49,875,000 bond package for the reconstruction of 27 streets. The 2020 Capital Program Advisory Committee, consisting of 35 residents from across the City, recommended the projects based on several factors that included: existing pavement conditions, traffic volumes, maintenance records, input from citizen surveys, and estimated project costs.

At least annually, management reviews and updates long-range financial plans for the general operations of the City as well as the proprietary activities. Forecasts are prepared using conservative growth estimates for major sources of revenue. Maintaining this conservative approach, coupled with an aggressive debt repayment policy, has assisted the City in retaining a continuous favorable bond rating. Analysis is continuously updated to reflect new bond issues and the repayment thereof, as well as updates to estimates based on new developments, historical trends, changes in applicable legal requirements, and City Council priorities.

The plans for the internal service funds include the accumulation of resources for meeting both current and future needs. For example, support services such as facilities, fleet, and information technology collect user fees to meet current maintenance needs as well as to meet future capital replacement needs.

Similarly, the City's policy with regard to self-insurance premiums has been to collect sufficient amounts to cover current health and dental claims as well as additions to reserves for future claims. In fiscal years 2002 and 2003 the Self Insurance (Internal Service) Fund reserves of $3.1 million were depleted due primarily to spiraling inflation in the health care industry and unforeseeable extraordinary health claims. In fiscal year 2004, the City Council adopted a strategy to rebuild reserves over a six-year period beginning in fiscal year 2005. Savings from changes in the health care plan, transfers from existing cash reserves in the General Fund and Water and Sewer Fund, and employee premiums were used and continue to re-establish the reserves. In both 2016 and 2017, the City once again experienced significant inflationary costs and extraordinary health claims, which necessitated the use of a portion of the rebuilt reserves. Management instituted plan changes to address the rising costs in both active employee and retiree health care costs.

Similar plans for the build-up of reserves exist for the City's enterprise operations. Funds are set aside to meet future capital replacement needs such as infrastructure replacement and capital asset acquisitions. This approach has allowed the City's water and sewer operation to meet much of its capital replacement needs with the issuance of minimal debt. Over the course of its history, NRH_2O, the City's waterpark, has funded some new attractions and infrastructure improvements by utilizing cash reserves accumulated from operations. Annual analysis by City management of capital needs could result in the need for debt funding of future attractions and infrastructure improvements if deemed necessary.

Cash management policies and practices

During fiscal year 2024, the City extended its current bank depository contract with JP Morgan Chase Bank, N.A.This included depository, safekeeping, and electronic lockbox payment processing. Cash temporarily idle during the year was invested in two public funds investment pools, agency and corporate securities, municipal securities, and U.S. Treasury Notes.

The maturities of the investments range from overnight to five years. The weighted average yield for the City's overnight investments on September 30, 2024 was 4.56%, and the weighted average maturity ("WAM") was 316 days.

At fiscal year-end, approximately 28% of the portfolio was invested beyond one year, 7% was invested for one year or less, and the remaining 65% was invested in the overnight market. The City's Investment Advisor is Meeder Public Funds.

Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. While the City has historically retained a portion of these risks, coverage exists for: general, employment practice, law enforcement, and errors and omissions liability; excess workers' compensation; property damage; commercial crime coverage; and employee life insurance. The Self-Insurance Fund is responsible for workers' compensation, health, automobile liability, and general liability insurance. The City maintains a stop loss third party insurance policy with respect to health claims. This policy covers City medical claims in excess of $150,000 per individual per year, and/or $9,041,515 in the aggregate for a 12-month period beginning on January 1, 2024. Self-Insurance Fund claims are funded by charges to other funds and employee, retiree, and dependent premiums. Additional information on the City's risk management activity can be found in the notes to the basic financial statements.

Pension and other post-employment benefits

The City participates in the Texas Municipal Retirement System ("TMRS"), an agency authorized by the State of Texas. Full-time City employees contribute a fixed percentage of their gross pay (currently 7%). TMRS participants are immediately vested in the funds they contribute plus allocated interest. Participants are vested in employer contributions after five years of credited participation. If participants withdraw from TMRS prior to five years of credited participation, they may withdraw from TMRS those funds they contributed plus interest earnings. The City has historically provided postretirement health and dental care benefits for certain retirees and their dependents. As of the current fiscal year, there were over 180 retired employees receiving these benefits. Additional information on the City's pension arrangements and post-employment benefits can be found in the notes to the basic financial statements.

City's Response to the COVID-19 Pandemic

The City has received both tranches of the American Rescue Plan Act (ARPA) funding totaling $9,533,205. City management implemented a needs based priority project list to utilize the ARPA funding and all ARPA funds must be fully encumbered by December 2024 and spent by December 2026.

Awards

Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to North Richland Hills for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. This was the 40th consecutive year the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. Upon approval by the City Council, this report will be submitted to GFOA to determine its eligibility for another certificate.

The City also received the Distinguished Budget Presentation award for its 2024 budget document. This was the 33rd consecutive year the City received this award.

Acknowledgments

Timely preparation of this Annual Comprehensive Financial Report was made possible by the dedicated service of the Finance Department, our independent auditors, and other City staff. We would like to express sincere appreciation to those who contributed to the process.

In closing, the continued leadership and support of the Mayor, City Council, and City Manager in planning and conducting the financial operation of the City is sincerely appreciated.

Respectfully submitted,

Jay Patel
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of North Richland Hills
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

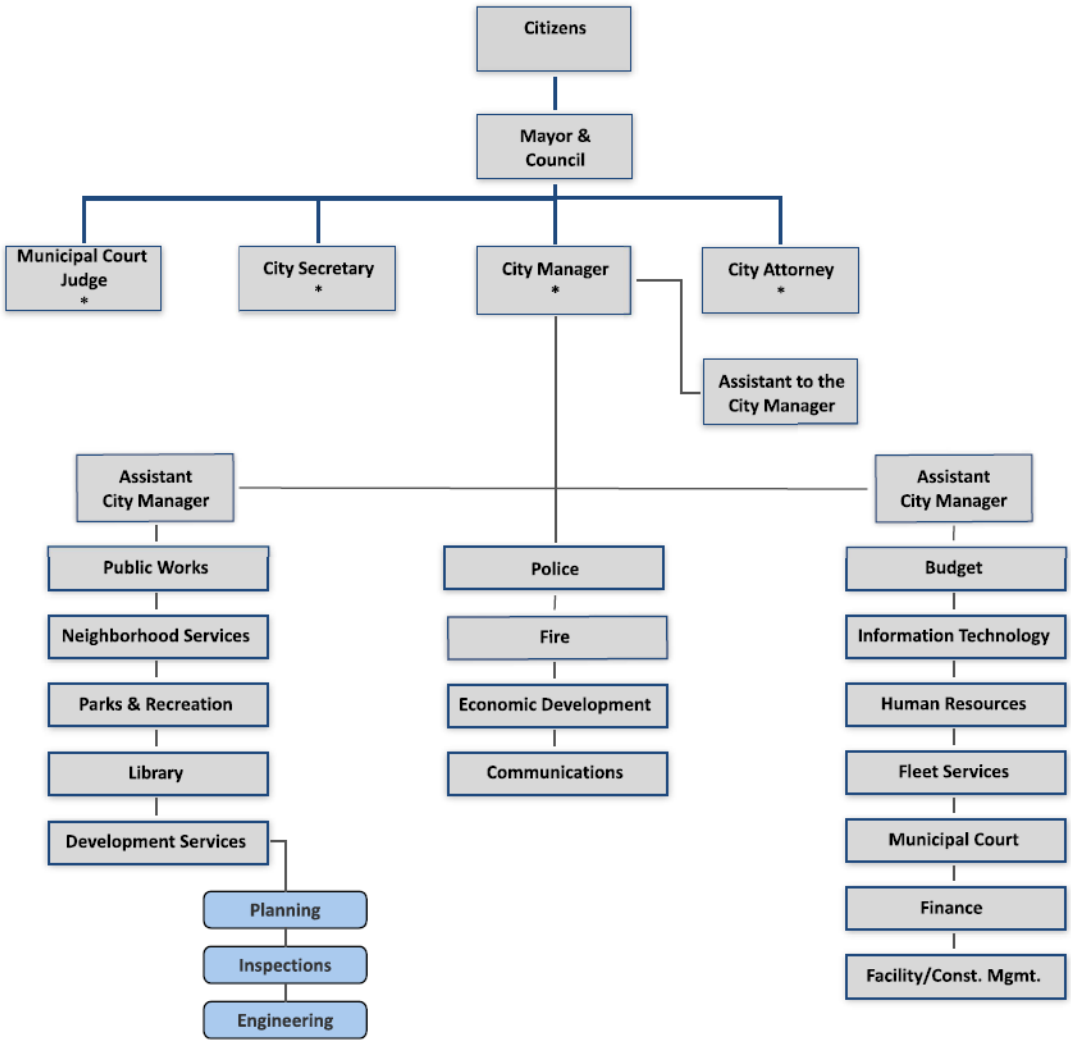
September 30, 2023

Christopher P. Morrill

Executive Director/CEO

CITY OF NORTH RICHLAND HILLS, TEXAS

ORGANIZATIONAL CHART AS OF SEPTEMBER 30, 2024



CITY OF NORTH RICHLAND HILLS, TEXAS
PRINCIPAL OFFICIALS
September 30, 2024

CITY COUNCIL

MAYOR	JACK MCCARTY
COUNCIL MEMBER, PLACE 1	TITO RODRIGUEZ
COUNCIL MEMBER, PLACE 2, ASSOCIATE MAYOR PRO TEM	RICKY RODRIGUEZ
COUNCIL MEMBER, PLACE 3	SUZY COMPTON
COUNCIL MEMBER, PLACE 4	MATT BLAKE
COUNCIL MEMBER, PLACE 5, DEPUTY MAYOR PRO TEM	BLAKE VAUGHN
COUNCIL MEMBER, PLACE 6	RUSS MITCHELL
COUNCIL MEMBER, PLACE 7, MAYOR PRO TEM	KELVIN DEUPREE

CITY STAFF

City Manager	Paulette Hartman
Assistant City Manager	Trudy Lewis
Assistant City Manager	Caroline Waggoner
Executive Secretary	Christy Hardy
City Secretary / Chief Governance Officer	Alicia Richardson
Manager of Strategic Initiatives	Jennipher Castellanos
Director of Finance	Jay Patel
Director of Budget and Research	Chasse Fosse
Director of Human Resources	Patrick Hillis
Director of Economic Development	Craig Hulse
Director of Planning	Cori Reaume
Emergency Management Coordinator	Raelyn Darnell
Director of Information Technology	Eric Von Schimmelmann
Municipal Court Administrator	Rebecca Vinson
Managing Director of Community Development	Stefanie Martinez
Director of Library Services	Cecilia Barham
Police Chief	Jeff Garner
Fire Chief	Stan Tinney
Director of Public Works	Boe Blakenship
Director of Facilities & Construction	Chris Amarante
Director of Parks & Recreation	Adrien Pekurney

NORTH RICHLAND HILLS
NRH
1953
TEXAS

Financial Section

Forvis Mazars, LLP
14221 Dallas Parkway, Suite 400
Dallas, TX 75254
P 972.702.8262 | F 972.702.0673
forvismazars.us

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of North Richland Hills, Texas
North Richland Hills, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Richland Hills, Texas (City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

Dallas, Texas
April 21, 2025

The City of North Richland Hills, Texas (the "City") Management's Discussion and Analysis ("MD&A") is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, and should be read in conjunction with the City's financial statements (beginning on page 16).

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year ended September 30, 2024 by $430.5 million (net position).
- The City's total net position increased by $21.0 million in fiscal year 2024 from the beginning net position of $409.4 million. Additional details of this change may be found beginning on page 18 (Statement of Activities).
- As of September 30, 2024, the City's governmental funds reported combined fund balances of $129,462,358, which represents an increase of $0.1 million in comparison to the prior fiscal year's ending balance.
- Approximately 22.6% of total governmental fund balance, or $29,263,162, is available for appropriation at the City's discretion (assigned and unassigned fund balance).
- The City's objective regarding fund balance for the General Fund is to maintain a minimum unassigned fund balance to operate the City for a period of 60 days or 15% of the following year's appropriated budgeted expenditures. This objective was met at year end.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $25,972,428 or 42.9% of General Fund actual expenditures, including transfers out, for 2024. This unassigned balance represents 40.7% of the fiscal year 2025 adopted budget.
- The City's total debt decreased by approximately $6.9 million during the fiscal year 2024. This is primarily due to the scheduled bond principal payments of $13.5 million and the issuance of $5.8 million in General Obligation Bonds ("GO's").

Overview of the Financial Statements

MD&A is intended to introduce the reader to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All of the current year's revenues and expenses are recognized regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, unused vacation leave). Both the Statement of Net Position and the Statement of Activities are prepared using the accrual basis of accounting as opposed to the modified accrual basis used in governmental funds.

In the Statement of Net Position and the Statement of Activities, the City's operations are separated into two types of activities:

- *Governmental activities* - Most of the City's basic services are reported here, including the activities of public safety, culture and recreation, public works, and general government. Property taxes, sales taxes, and franchise fees finance most of these activities.

- *Business-type activities* – For this type of activity, the City charges a fee to customers to cover all or most of the cost of services provided including the recovery of costs of capital assets used in the delivery of such services. The City's water and sewer, golf course, and aquatic park activities are reported here.

The government-wide financial statements can be found starting on page 16 of the annual comprehensive financial report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law, bond covenants, or Council ordinance. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- *Governmental funds* - The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances available for appropriation at year-end. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Statements of governmental funds provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources available for appropriation in the near future to finance City programs. By comparing information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

  The City maintains five major individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds. The General Fund, General Capital Projects Fund, General Debt Service Fund, Parks and Recreation Development Fund, and the Grants Fund are the major governmental funds of the City. Data from the other non-major governmental funds are combined into a single, aggregated presentation in the governmental statements. Financial statements for the governmental funds can be found starting on page 19 of this report.

- *Proprietary funds* - The objective of proprietary funds is to charge customers, both internal and external, for services provided in an amount sufficient to cover virtually all costs including the replacement of assets used in the delivery of such services. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are almost identical to the business-type activities that are reported in the government-wide statements, but provide more detail and additional information, such as the statement of cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities, such as the City's facilities maintenance and construction services, fleet management, employee and property insurance coverage, and telephone and computer services. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

  The City maintains three enterprise funds, which it uses to account for the provision of water and wastewater services, golf course operations, and water park activities. The Utility Fund and Aquatic Park are considered major funds. The Golf Fund is considered a non-major enterprise fund. Financial statements for the enterprise funds can be found starting on page 26 of the report.

Notes to the financial statements - The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 33 of this report.

Government-Wide Financial Analysis

The government-wide financial analysis highlights the information contained in the Statement of Net Position and Statement of Activities. The City's combined net position was $430,485,318 as of September 30, 2024. Analyzing the net position of governmental and business-type activities separately, governmental activities total net position was $322,457,163 and business-type activities total net position was $108,028,155. This analysis focuses on the net position and changes in program and general revenues and significant expenses of the City's governmental and business-type activities.

Statement of net position – The largest portion of the City's net position (79.9%) reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment, leases, and subscription assets) less any related debt used to acquire those assets that is still outstanding. The City uses capital assets to provide services to citizens; consequently, capital assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these obligations. The following table presents the condensed government-wide statement of net position as of September 30, 2024 and 2023. Current and other assets include restricted deposit and investment balances.

Schedule of Assets, Liabilities, and Net Position
Amounts shown in thousands ($000's)
As of September 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Current and other assets	$ 166,460	$ 163,680	$ 64,311	$ 68,251	$ 230,770	$ 231,931
Capital, lease and subscription assets, net	349,950	336,753	89,937	85,499	439,886	422,252
Total Assets	516,409	500,433	154,247	153,750	670,657	654,183
Total Deferred Outflows of Resources	18,507	26,537	3,519	5,263	22,026	31,800
Long-term liabilities	162,680	180,709	37,173	41,381	199,854	222,089
Other liabilities	30,768	27,854	10,572	9,521	41,340	37,374
Total Liabilities	193,449	208,562	47,745	50,902	241,194	259,464
Total Deferred Inflows of Resources	19,011	15,535	1,993	1,542	21,004	17,077
Net Position:						
Net Investments in capital assets	276,277	278,154	67,554	71,302	343,831	349,457
Restricted	25,715	19,035	6,114	3,947	31,829	22,982
Unrestricted	20,465	5,684	34,361	31,321	54,826	37,004
Total Net Position	$ 322,457	$ 302,873	$ 108,028	$ 106,570	$ 430,485	$ 409,443

Statement of activities - Governmental activities increased the City's net position by $19.6 million in fiscal year 2024, and business-type activities increased net position by $1.5 million. The following table presents the condensed government-wide statement of activities for the years ended September 30, 2024 and 2023.

Changes in Net Position
Amounts shown in thousands ($000's)
Years Ended September 30, 2024 and 2023

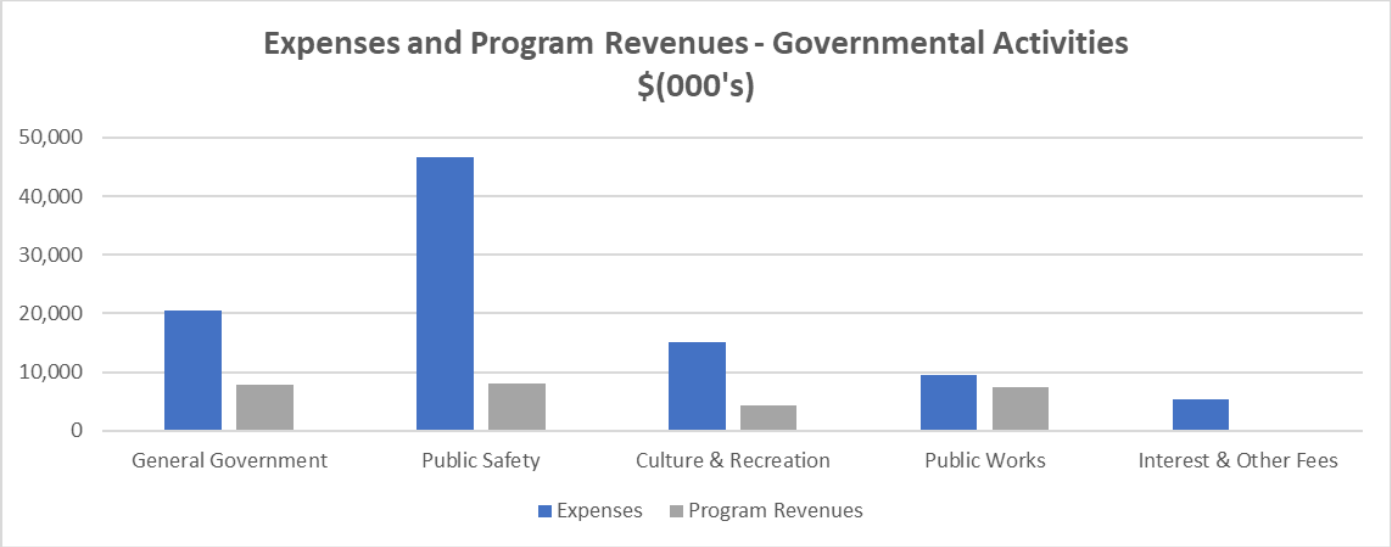
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	$ 14,347	$ 13,364	$ 53,872	$ 55,770	$ 68,219	$ 69,134
Operating grants and contributions	9,454	11,629	87	-	9,541	11,629
Capital grants and contributions	3,895	3,151	-	-	3,895	3,151
General revenues:						
Property tax	39,174	39,005	-	-	39,174	39,005
Sales tax	27,974	27,620	-	-	27,974	27,620
Mixed beverage	152	160	-	-	152	160
Franchise taxes	3,822	4,014	-	-	3,822	4,014
Occupancy taxes	446	312	-	-	446	312
Grants not restricted to specific programs	2,007	4,526	-	-	2,007	4,526
Unrestricted investment earnings	10,502	6,236	2,200	1,280	12,702	7,515
Gain on sale of capital assets	326	116	4	-	331	116
Miscellaneous	440	665	310	1,161	750	1,825
Total Revenue	112,540	110,797	56,473	58,210	169,013	169,007
Expenses:						
General government	21,009	21,587	-	-	21,009	21,587
Public safety	46,547	50,266	-	-	46,547	50,266
Culture and recreation	15,200	14,939	-	-	15,200	14,939
Public works	9,526	9,939	-	-	9,526	9,939
Interest and other fees	5,390	4,441	-	-	5,390	4,441
Utility	-	-	41,411	41,285	41,411	41,285
Aquatic park	-	-	5,416	5,206	5,416	5,206
Golf course	-	-	3,470	3,282	3,470	3,282
Total Expenses	97,673	101,171	50,298	49,774	147,970	150,945
Increase (decrease) in net position before transfers	14,867	9,626	6,176	8,437	21,043	18,063
Transfers between governmental and business-type activities	4,717	4,658	(4,717)	(4,658)	-	-
Net increase (decrease) in net position	19,584	14,284	1,459	3,779	21,042	18,063
Net Position - Beginning of Year	302,873	288,589	106,570	102,791	409,443	391,380
Net Position - End of Year	$ 322,457	$ 302,873	$ 108,028	$ 106,570	$ 430,485	$ 409,443

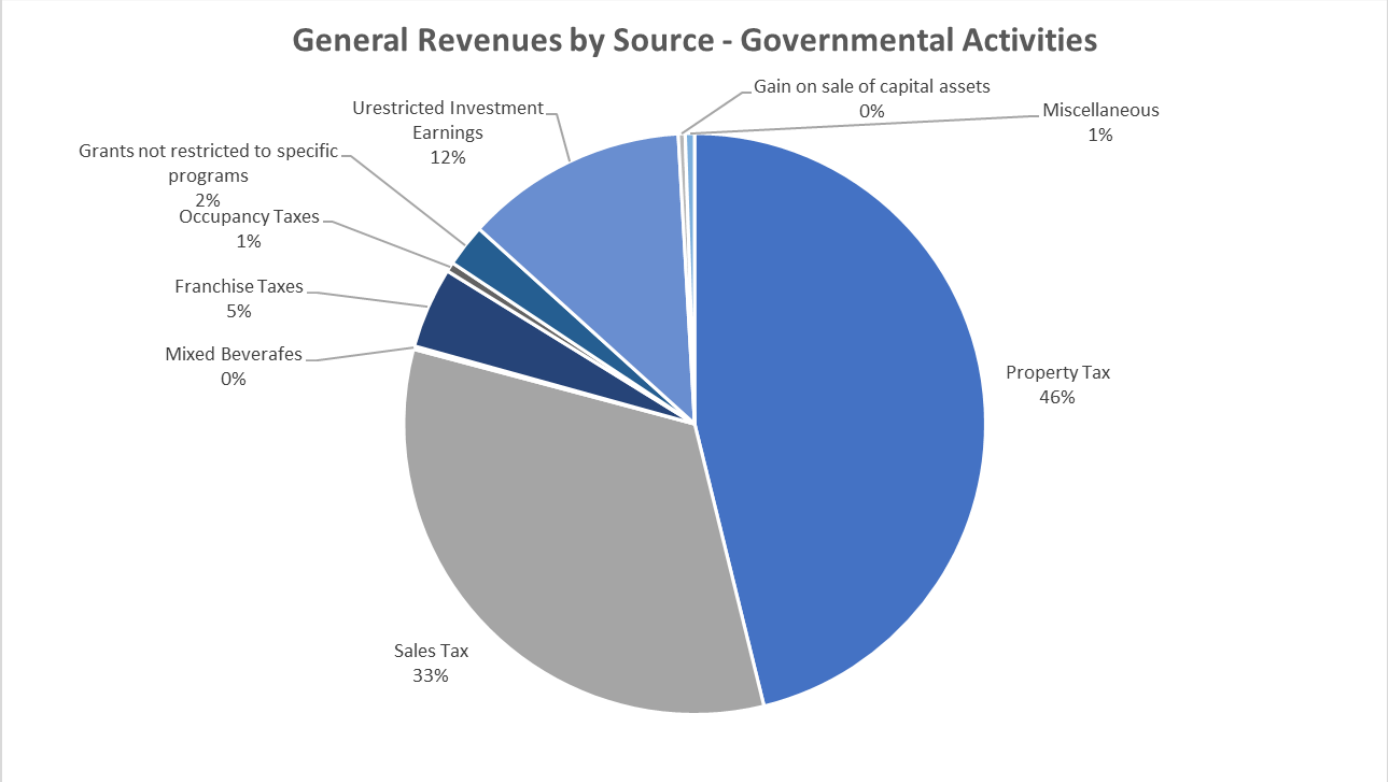
Governmental activities – In comparison to fiscal year 2023, overall assets for Governmental Activities increased $16.0 million or 3.2% in 2024. Capital, lease and subscription assets, net of depreciation/amortization, increased $13.2 million or 3.9% in 2024. This activity was related to capital improvement projects, specifically improvements and refurbishments to streets and roadways, drainage, sidewalks, and equipment replacements as well as park improvements. Further, refurbishments to the library and NRH Centre facilities were undertaken as were several technology initiatives. Outstanding debt liabilities decreased by $5.1 million or 4.41 % in 2024. This decrease was due to the annual debt service payment for all other outstanding debt but was slightly mitigated by the issuance of the 2023A General Obligation bonds. Total liabilities also decreased due to $11.9 million decrease in net pension liability and $4.9 million decrease in net OPEB liability.

Governmental activities increased the City's net position by approximately $19.6 million in fiscal year 2024. The City had an increase in tax revenues of $0.5 million during 2024. Property taxes increased $0.2 million and sales tax increased by $0.4 million. The property tax rate was decreased slightly from $0.547972 to $0.489389. In fiscal year 2024 the City experienced significant growth in its taxable value base. This increase was the result of changes in existing values as well as additional values from new construction. Sales taxes increased 1.3% as a result of continued gains in online sales due in part to the increases on retail prices from inflation and a continuation of home delivery retail shopping.

Rising interest rates accounted for a $4.3 million improvement in investment earnings. Operating and Capital Grants and Contributions decreased approximately $1.4 million or 10% in fiscal year 2024, as a result of the City receiving developer contributed assets in prior year that did not recur in fiscal year 2024. This decrease was offset by an increase in eligible project expenditures under the Economic Development Cluster grant in FY2024. Other significant projects included the North Texas Anti-Gang Center and other Public Safety program activities.

Governmental activities saw a total decrease in expenses totaling approximately $3.5 million or approximately 3.5% below 2023 levels. Pension and OPEB expense decreased over $2.7 million from prior year due to better market performance during the measurement period. Refer to the fund level financial analysis section for further details.

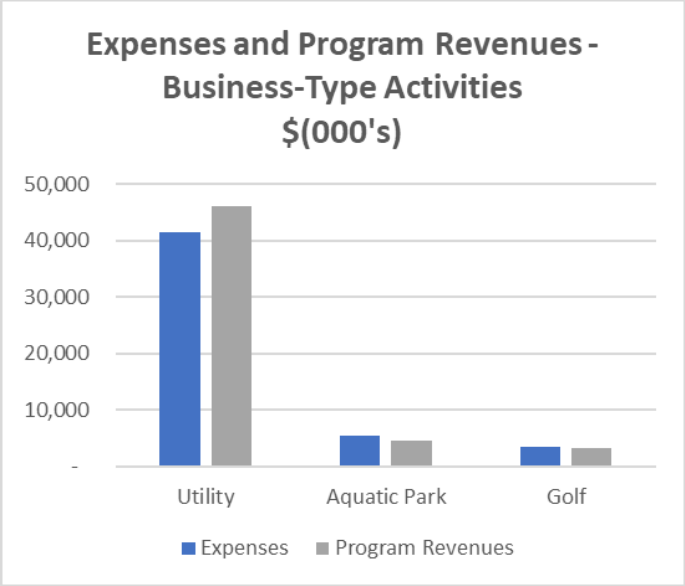


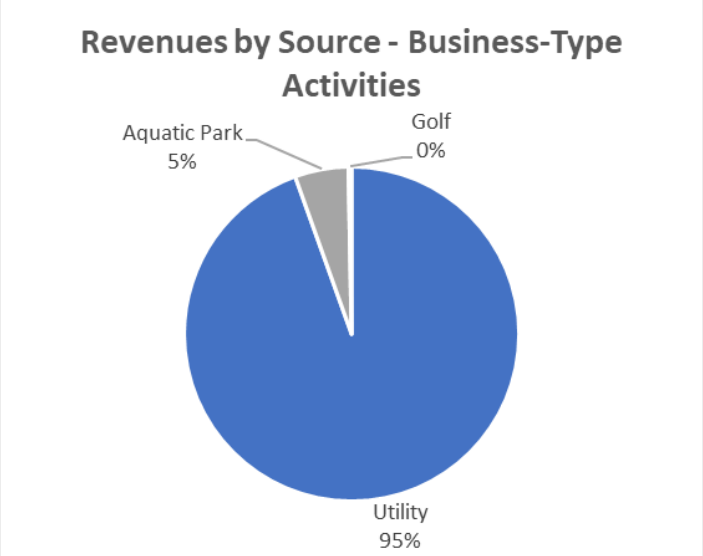


Business-type activities – Business-type activities resulted in an increase to the City's total net position of $1.5 million in 2024. Total net revenue for Business-type activities was approximately $6.2 million, with the Utility fund operations generating $7.1 million of that total. Aquatic park generated $(0.7) million in net (loss) and Golf Course generated $(0.21) million in net (loss). Transfers to other funds reduced the net revenue by $4.7 million.

Aquatic Park and Golf course operations are funded by consumers who patronize each facility. The City owned Golf Course, Iron Horse, is currently managed by KemperSports. Significant upgrades were made to the Golf Course clubhouse and pavilion. Since its renovation in 2020, it has experienced increasing play during each of the past three fiscal years. The Aquatic park celebrated its 30th year of operation in 2024 and saw attendance increase in summer 2024 after a significant decrease in 2023 due to excessively high temperatures. Despite this increase, the park experienced decreased per-attendee spending during the summer season in 2024 though attendance at the park increased by 0.33% over prior year levels.

The Utility Fund generally experienced lower consumption during 2024 due to weather patterns providing additional rainfall compared to the prior year, however revenues increased during 2024 due to increase in water rates and additional water connections. Increases in the wholesale provider costs for water and sewer services continue to put pressure on the fund. The weather demonstrated how sensitive these business-type activities can be in regard to climate conditions.





Fund Level Financial Analysis

Governmental Funds – The focus of the City of North Richland Hills' governmental funds is to provide information on near- term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City's Council itself, or the designated individual delegated the authority to assign resources for use for particular purposes (Council Designated).

At September 30, 2024, the City's governmental funds reported combined fund balances of $129,462,358, an increase of $134,500 in comparison with prior year. Unassigned fund balance of $25,972,428 is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form ($187,217), 2) legally required to be maintained intact or to be used for a particular purpose ($71,185,886), 3) committed for particular purposes ($28,826,093), or 4) assigned for particular purposes ($3,290,734).

The General Fund is the chief operating fund of the City. For fiscal year 2024, the General Fund unassigned fund balance was $25,972,428 – an increase of $1,672,341. Unassigned fund balance represents approximately 45.7% of total General Fund expenditures for 2024, while total fund balance represents 45.9%. The General Fund balance in total decreased slightly due primarily to the transfer of funds to establish the PEG Access Fee Fund and Court Special Revenue Fund during 2024, which also resulted in a decrease in tax and fines revenue presented for the fund as compared to prior year. In conjunction, during 2024 the General Fund had higher than anticipated license and permits revenue and investment income, offset by an increase in spending.

The General Capital Projects fund decreased governmental fund balance by approximately $8.4 million. During fiscal year 2024, the City issued $5.8 million in general obligation bonds for current and future capital projects. Of the fund's $23.0 million expenditures, a significant portion can be attributed to improvements in the public street and roadways, drainage, sidewalks, and equipment replacements as well as park improvements.

General Debt Service fund increased governmental fund balance by $167,487. The increase is associated with increased property tax revenues and transfers from other funds, offset by an increase in the retirement of debt through principal and interest payments for 2024.

Parks and Recreation Development Corporation increased governmental fund balance by $2,040,198 which is primarily due to an increase in sales tax revenues, investment income, and charges for services. Increase in revenues for the Parks and Recreation department is a result of robust economy boosting operations and demand for these services.

The Grants Fund increased governmental fund balance by $1,855,173. This resulted in an ending fund balance of $3,156,797. The increase was due primarily to receiving additional local funding and investment income as a result of improved market conditions.

Proprietary Funds – The proprietary funds provide the same type of information found in the government-wide financial statements.

General Fund Budgetary Highlights

Original budget compared to final budget. During the fiscal year, there were sufficient reasons to revise original estimated revenues and expenditures by a reduction of $103,637. Modifications were made to specific revenue projections, based on known activities and observed collection trends throughout the fiscal year. With mortgage interest rates trending downward, housing permits experienced a surge, with budgeted revenue from Licenses and Permits increasing by $853,521. Due to continued activity and the earlier than anticipated timing of projects, actual performance outpaced the revised estimate. Based on observed collection trends, estimated Taxes collections were decreased $1,795,777. Fine & Forfeitures were decreased by $138,846 based on projections.

Final budget compared to actual results. Revenue sources saw positive variances in some operational categories with the planned appropriation of reserves not required. A net negative revenue variance of $1,465,172 in the tax revenues grouping and a net positive variance of $1,677,302 in the non-tax revenue groupings resulted from collections received above projections, even after further analysis and an upward revision to most categories. Within expenditures for the fiscal year, a positive variance of $1,283,330 was due to entity wide decline in spending.

Capital, Lease, and Subscription Asset and Debt Administration

Capital, lease and subscription assets – At the end of fiscal year 2024, the City had $439.9 million (net of accumulated depreciation/amortization) invested in a broad range of capital assets including, but not limited to, police and fire equipment, buildings, park facilities, roads, bridges, aquatic park facilities, golf course assets, lease assets, subscription assets and the water and sewer system. The following table provides capital asset balances net of accumulated depreciation/amortization for each major category for both governmental and business-type activities as of September 30, 2024 and 2023.

Capital, Lease and Subscription Assets
(net of Accumulated Depreciation/Amortization)
Amounts shown in thousands (000's)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and land improvements	$ 80,960	$ 80,952	$ 2,579	$ 2,579	$ 83,539	$ 83,532
Works of art	310	310	-	-	310	310
Buildings & improvements	80,030	84,406	1,905	1,996	81,935	86,402
Other improvements	139,892	132,803	6,124	4,583	146,017	137,386
Utility plant	-	-	56,776	62,017	56,776	62,017
Machinery and equipment	21,266	20,134	7,172	7,979	28,438	28,113
Lease equipment	26	68	611	77	637	144
Subscription assets	700	440	-	-	700	440
Assets held for sale	15	15	-	-	15	15
Construction in progress	26,751	17,626	14,769	6,267	41,519	23,894
Total Capital, Lease and Subscription Assets	$ 349,950	$ 336,753	$ 89,937	$ 85,499	$ 439,886	$ 422,252

This year's major additions included:

Description	Amount
Buildings and street improvements	$ 15,247,094
Water / Sewer Replacement and Improvements	8,641,118
Computer, Machinery, and Equipment	9,595,244
Vehicles	1,785,936

The City prepares an annual Capital Improvement Projects budget that assigns specific funds and resources for use to only these projects. Until appropriations are removed, these resources are unavailable for general operations or new capital projects.

The City currently has committed resources (displayed as Noncurrent Assets—cash and cash equivalents in the Statement of Net Position) totaling $82,619,434 for both the Governmental and Business-type activities. These resources will be used to purchase major equipment, construct new buildings, and add new infrastructure such as water and sewer lines and streets. More information on capital assets can be found in footnote III.C in the Footnotes to the financial statements.

Debt – At September 30, 2024 and 2023, the City had the following debt outstanding:

Outstanding Debt

Amounts shown in thousands (000's)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	$ 73,415	$ 74,190	$ 1,630	$ 2,025	$ 75,045	$ 76,215
Certificates of obligation	28,560	32,870	25,150	27,035	53,710	59,905
General obligation bonds - Private placement	175	235	60	80	235	315
Certificates of obligation - Private placement	-	-	695	755	695	755
Special assessment bonds	7,680	7,870	-	-	7,680	7,870
Lease liabilities	28	72	613	83	641	155
Subscription liabilities	662	378	-	-	662	378
Totals	$ 110,520	$ 115,615	$ 28,148	$ 29,978	$ 138,668	$ 145,593

The presently outstanding general obligation debt of the City is rated "AA2" by Moody's and "AA+" by S&P. As a home rule city, the City is limited by Article XI, Section 5 of the State of Texas Constitution to a maximum tax rate for all purposes of $2.50 per $100 of valuation, though within that figure there is no legal limit upon the amount of taxes which can be levied for debt service. The City's Charter provides that general property taxes are limited to $1.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation debt. For fiscal year 2024, the City's property tax rate is $0.489389 per $100 assessed valuation. The current ratio of tax-supported debt to assessed value of all taxable property is 1.36%. Additional detailed information on long-term debt activity is disclosed in the notes (III-E) to the financial statements.

Pensions and Retiree Health Care

Pensions and retiree health care continue to receive negative media attention as governments around the nation struggle to fund these commitments. The City is committed to providing programs in these areas that are fair to both employees and taxpayers and that can be sustained over the long term.

Effective for fiscal year 2015, Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, created specific reporting requirements for pensions that are different than that used for funding purposes. Both valuations are important as the reporting valuation provides a rigorous standard measure that can be used to compare the City's pension liabilities to other governments from around the nation. The funding valuation is important because the actuarial methods used include strategies for repaying any unfunded actuarial accrued liabilities. Combined with the City's history of making those contributions, it provides insights regarding the City's commitment to and the effectiveness of its funding strategy. Information contained in the financial statements themselves including the first schedule of Required Supplementary Information ("RSI"), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, Schedule of Contributions, is based on the funding valuation. On a reporting basis, the City's financial statements reflect a Net Pension Liability as of September 30, 2024 of $33,670,643, which is 76.8% of the City's annual covered payroll of $43,847,667 for the 2023 calendar year.

Retiree health care's net OPEB liability has been calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* to be $24,556,177 as of September 30, 2024, a decrease of $4,859,108 from the previous valuation.

Economic Factors and Next Year's Budgets and Rates

The two largest revenue sources for the General Fund are property tax revenues and sales tax receipts. After working through a struggling economy, the City of North Richland Hills is finally experiencing a stabilization. In June 2019, the Texas state legislature passed Senate Bill 2 (SB-2) which limits the ability of local governments to increase property tax revenues above 3.5% without an affirmative vote of the citizens within the jurisdiction. For budget year 2024/2025, sales tax receipts are anticipated to be roughly 2% higher than the 2023/2024 actual. Property tax values are anticipated to continue rising due to steady new construction growth.

The fiscal year 2025 budget was based on the property tax rate remaining $0.489389/$100. For fiscal year 2025, the estimated tax rate distribution amounts for maintenance & operations and interest & sinking (per $100 assessed value) for the City are as follows:

Tax Rate Distribution Schedule	Tax Rate	Tax Rate Distribution
General Fund - Maintenance & Operations	$ 0.331432	$ 29,304,286
Debt Service Fund - Interest & Sinking	0.157957	11,780,946
Total Distribution of tax proceeds	$ 0.489389	$ 41,085,232

By policy, the City maintains an unassigned General fund balance of 15% of budgeted expenditures. The use of available fund balance for one-time expenditures eliminates the financial impact of such purchases on future budgets.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of North Richland Hills, Director of Finance, P.O. Box 820609, North Richland Hills, Texas 76182-0609.

Basic Financial Statements

NORTH RICHLAND HILLS
NRH
1953
TEXAS

CITY OF NORTH RICHLAND HILLS, TEXAS
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	$ 41,214,530	$ 13,466,330	$ 54,680,860
Investments	55,076,016	17,832,169	72,908,185
Receivables, net of allowances	12,414,993	6,834,837	19,249,830
Prepaids	157,584	79,017	236,601
Inventories, at cost	459,511	615,820	1,075,331
Interfund balances	500,000	(500,000)	-
Internal balances	(10,777,280)	10,777,280	-
Total Current Assets	99,045,354	49,105,453	148,150,807
Noncurrent Assets:			
Cash and cash equivalents	67,414,370	15,205,064	82,619,434
Capital assets not being depreciated	108,035,526	17,347,727	125,383,253
Capital, lease and subscription assets, net	241,914,187	72,588,949	314,503,136
Total Noncurrent Assets	417,364,083	105,141,740	522,505,823
Total Assets	516,409,437	154,247,193	670,656,630
Deferred Outflows of Resources			
Deferred loss on refunding	55,380	7,703	63,083
Deferred outflows - OPEB	3,781,113	400,526	4,181,639
Deferred outflows - Pension	14,670,800	3,110,946	17,781,746
Total Deferred Outflows of Resources	18,507,293	3,519,175	22,026,468
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	8,299,350	2,887,112	11,186,462
Deposits and other liabilities	2,695,656	86,589	2,782,245
Customer deposits	-	4,463,262	4,463,262
Unearned revenue	7,045,889	59,581	7,105,470
Retainage payable	685,862	172,857	858,719
Accrued interest payable	505,548	417,533	923,081
Due within one year: Bonds, leases, subscriptions, compensated absences	11,535,857	2,484,927	14,020,784
Total Current Liabilities	30,768,162	10,571,861	41,340,023
Noncurrent Liabilities:			
Due in more than one year:			
Intergovernmental payables	-	1,459,882	1,459,882
Net OPEB liability	22,204,138	2,352,039	24,556,177
Net pension liability	27,779,908	5,890,735	33,670,643
Bonds, leases, subscriptions, arbitrage, compensated absences, net	112,696,399	27,470,835	140,167,234
Total Noncurrent Liabilities	162,680,445	37,173,491	199,853,936
Total Liabilities	193,448,607	47,745,352	241,193,959
Deferred Inflows of Resources			
Deferred inflows - OPEB	16,564,650	1,754,659	18,319,309
Deferred inflows - Pension	1,123,325	238,202	1,361,527
Unavailable revenue - leases	1,322,985	-	1,322,985
Total Deferred Inflows of Resources	19,010,960	1,992,861	21,003,821
Net Position			
Net investment in capital assets	276,277,035	67,553,741	343,830,776
Restricted for:			
Municipal court technology & security	925,191	-	925,191
Franchise peg fees	1,125,973	-	1,125,973
Parks and recreation development	11,320,702	-	11,320,702
Crime control district	3,209,567	-	3,209,567
Debt service	2,674,611	-	2,674,611
Promotional & economic development	2,265,674	-	2,265,674
Public safety	4,193,387	-	4,193,387
Impact fees restricted for construction	-	6,113,824	6,113,824
Unrestricted	20,465,023	34,360,590	54,825,613
Total Net Position	$ 322,457,163	$ 108,028,155	$ 430,485,318

See notes to the financial statements.

NORTH RICHLAND HILLS
NRH
1953
TEXAS

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Primary Government							
Governmental Activities:							
General government	$ 21,009,361	$ 6,286,457	$ 1,484,719	$ 132,691	$ (13,105,494)	$ -	$ (13,105,494)
Public safety	46,547,157	1,018,276	6,773,096	191,110	(38,564,675)	-	(38,564,675)
Culture and recreation	15,199,634	4,124,209	183,427	-	(10,891,998)	-	(10,891,998)
Public works	9,526,246	2,918,347	1,012,524	3,571,131	(2,024,244)	-	(2,024,244)
Interest and fiscal charges	5,390,250	-	-	-	(5,390,250)	-	(5,390,250)
Total Governmental Activities	97,672,648	14,347,289	9,453,766	3,894,932	(69,976,661)	-	(69,976,661)
Business-Type Activities:							
Utility	41,410,943	45,961,891	86,902	-	-	4,637,850	4,637,850
Aquatic park	5,416,461	4,657,634	-	-	-	(758,827)	(758,827)
Golf course	3,470,116	3,252,482	-	-	-	(217,634)	(217,634)
Total Business-Type Activities	50,297,520	53,872,007	86,902	-	-	3,661,389	3,661,389
Total Primary Government	$ 147,970,168	$ 68,219,296	$ 9,540,668	$ 3,894,932	(69,976,661)	3,661,389	(66,315,272)
General Revenues and Transfers:							
General Revenues:							
Taxes:							
Property					39,173,607	-	39,173,607
Sales					27,974,040	-	27,974,040
Mixed beverage					152,181	-	152,181
Franchise					3,822,038	-	3,822,038
Occupancy					446,332	-	446,332
Grants not restricted to specific programs					2,007,238	-	2,007,238
Net unrestricted investment earnings					10,502,382	2,199,758	12,702,140
Gain on sale of capital assets					326,355	4,248	330,603
Miscellaneous					439,957	309,450	749,407
Transfers					4,716,969	(4,716,969)	-
Total General Revenues and Transfers					89,561,099	(2,203,513)	87,357,586
Change in net position					19,584,438	1,457,876	21,042,314
Net Position - Beginning of Year					302,872,725	106,570,279	409,443,004
Net Position - End of Year					$ 322,457,163	$ 108,028,155	$ 430,485,318

See notes to the financial statements.

CITY OF NORTH RICHLAND HILLS, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

	General Fund	General Capital Projects	General Debt Service	Parks and Recreation Development
Assets				
Cash and cash equivalents	$ 9,724,096	$ -	$ -	$ 5,653,685
Investments	12,446,107	12,291,405	830,218	6,139,442
Receivables, net of allowances:				
Accounts	1,690,522	-	-	-
Property taxes	159,363	-	-	-
Other taxes receivable	2,505,355	-	-	1,199,684
Interest receivable	5,651	5,772	377	2,597
Special assessments receivable	-	132,657	-	-
Intergovernmental receivables	-	806,553	-	-
Lease receivables	1,351,413	-	-	-
Other receivables	350,387	-	-	45,251
Due from other funds	3,300,607	-	-	-
Inventories, at cost	76,940	-	-	7,473
Prepaid items	49,604	-	-	-
Assets limited to use:				
Cash and cash equivalents	-	60,620,074	816,228	683,531
Total Assets	$ 31,660,045	$ 73,856,461	$ 1,646,823	$ 13,731,663
Liabilities				
Accounts payable	$ 268,245	$ 2,939,522	$ -	$ 105,345
Retainage payable	-	685,862	-	-
Accrued liabilities	674,961	-	-	48,129
Deposits and other liabilities	1,847,625	765,906	-	64,792
Unearned revenue	22,083	2,062,984	-	110,180
Total Liabilities	2,812,914	6,454,274	-	328,446
Deferred Inflows of Resources				
Unavailable revenue - ambulance fees	1,291,684	-	-	-
Unavailable revenue - property taxes	154,915	-	-	-
Unavailable revenue - assessments	-	132,657	-	-
Unavailable revenue - leases	1,301,560	-	-	-
Total Deferred Inflows of Resources	2,748,159	132,657	-	-
Fund Balance				
Nonspendable:				
Inventory	76,940	-	-	7,473
Prepaid items	49,604	-	-	-
Restricted:				
Municipal court technology & security	-	-	-	-
Franchise peg fees	-	-	-	-
Parks and recreation development	-	-	-	11,320,702
Crime control district	-	-	-	-
Debt service	-	-	1,646,823	-
Promotional & economic development	-	-	-	-
Public safety	-	-	-	-
Capital projects (bond funded)	-	45,421,515	-	-
Committed:				
Donations	-	-	-	-
Drainage Utility	-	-	-	-
Gas development	-	-	-	-
Capital projects	-	20,632,323	-	-
Assigned:				
Recreation centre	-	-	-	2,075,042
Capital projects	-	1,215,692	-	-
Unassigned	25,972,428	-	-	-
Total Fund Balance	26,098,972	67,269,530	1,646,823	13,403,217
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 31,660,045	$ 73,856,461	$ 1,646,823	$ 13,731,663

See notes to the financial statements.

CITY OF NORTH RICHLAND HILLS, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

	Grants Fund	Non-major Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 5,274,930	$ 7,972,415	$ 28,625,126
Investments	440,377	6,843,889	38,991,438
Receivables, net of allowances:			
Accounts	-	219,226	1,909,748
Property taxes	-	-	159,363
Other taxes receivable	-	1,325,223	5,030,262
Interest receivable	200	3,107	17,704
Special assessments receivable	-	-	132,657
Intergovernmental receivables	2,263,378	-	3,069,931
Lease receivables	-	-	1,351,413
Other receivables	-	20,225	415,863
Due from other funds	-	-	3,300,607
Inventories, at cost	-	-	84,413
Prepaid items	53,200	-	102,804
Assets limited to use:			
Cash and cash equivalents	-	1,793,591	63,913,424
Total Assets	$ 8,032,085	$ 18,177,676	$ 147,104,753
Liabilities			
Accounts payable	$ 159,552	$ 60,510	$ 3,533,174
Retainage payable	-	-	685,862
Accrued liabilities	9,299	68,609	800,998
Deposits and other liabilities	-	17,333	2,695,656
Unearned revenue	4,706,437	144,205	7,045,889
Total Liabilities	4,875,288	290,657	14,761,579
Deferred Inflows of Resources			
Unavailable revenue - ambulance fees	-	-	1,291,684
Unavailable revenue - property taxes	-	-	154,915
Unavailable revenue - assessments	-	-	132,657
Unavailable revenue - leases	-	-	1,301,560
Total Deferred Inflows of Resources	-	-	2,880,816
Fund Balance			
Nonspendable:			
Inventory	-	-	84,413
Prepaid items	53,200	-	102,804
Restricted:			
Municipal court technology & security	-	925,191	925,191
Franchise peg fees	-	1,125,973	1,125,973
Parks and recreation development	-	-	11,320,702
Crime control district	-	3,209,567	3,209,567
Debt service	-	1,027,788	2,674,611
Promotional & economic development	-	2,265,674	2,265,674
Public safety	3,103,597	1,089,790	4,193,387
Capital projects (bond funded)	-	49,266	45,470,781
Committed:			
Donations	-	945,901	945,901
Drainage Utility	-	3,920,673	3,920,673
Gas development	-	3,327,196	3,327,196
Capital projects	-	-	20,632,323
Assigned:			
Recreation centre	-	-	2,075,042
Capital projects	-	-	1,215,692
Unassigned	-	-	25,972,428
Total Fund Balance	3,156,797	17,887,019	129,462,358
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 8,032,085	$ 18,177,676	$ 147,104,753

See notes to the financial statements.

NORTH RICHLAND HILLS
NRH
1953
TEXAS

CITY OF NORTH RICHLAND HILLS, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2024

Total Fund Balances - Governmental Funds	**$**	**129,462,358**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital, lease, and subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds, excluding internal service funds capital, lease, and subscription assets of $15,409,505, which are allocated to governmental activities.		334,540,208
Losses on issuance of refunding bonds are not reported in the funds but are reported as deferred outflows of resources in the statement of net position.		55,380
Accrued interest on governmental activities debt is not reported in the funds until paid, excluding internal service funds of $9,969.		(495,579)
Revenues earned but not available within sixty days of fiscal year-end are not recognized as revenue in the governmental funds financial statements.		1,579,256
The internal service funds are used by management to charge the cost of certain activities, such as building and vehicle support services, self insurance, and information services, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds that are attributable to governmental activities are included in the government-wide financial statements.		25,032,253
Included in the items related to long-term liabilities is the recognition of the City's net pension liability. The net position related to pensions includes deferred outflows of resources in the amount of $14,670,800 deferred inflows of resources in the amount of $1,123,325, and the net pension liability of $27,779,908, excluding internal service funds of $2,199,905.		(12,032,528)
Included in the items related to long-term liabilities is the recognition of the City's net OPEB liability. The net position related to OPEB includes deferred outflows of resources in the amount of $3,781,113, deferred inflows of resources in the amount of $16,564,650, and the net OPEB liability of $22,204,138, excluding internal service funds of $2,737,375.		(32,250,300)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds, excluding internal service funds of $360,464.		(4,479,042)
Long-term liabilities excluding compensated absences, pension or OPEB and the related deferred outflows and inflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds. A summary of these items are as follows, excluding internal service funds:		
Due in one year		(10,690,832)
Due in more than one year		(108,264,011)
Total Net Position - Governmental Activities	**$**	**322,457,163**

See notes to the financial statements.

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	General Fund	General Capital Projects	General Debt Service	Parks and Recreation Development
Revenues				
Taxes	$ 42,658,156	$ -	$ 14,253,865	$ 6,995,252
Licenses and permits	2,427,075	-	-	-
Charges for services	2,739,880	16,018	-	4,099,173
Gas utility leases and royalties	-	-	-	-
Fines	1,246,626	-	-	-
Contributions	22,542	-	-	-
Special assessments	-	-	-	-
Investment income	1,788,027	5,160,920	132,960	649,352
Intergovernmental	3,496,421	3,344,811	60,352	-
Forfeitures	-	-	-	-
Miscellaneous	370,987	-	-	9,052
Total Revenues	54,749,714	8,521,749	14,447,177	11,752,829
Expenditures				
General government	14,484,214	69,865	-	-
Public safety	34,462,988	-	-	-
Culture and recreation	3,934,716	237,232	-	7,626,504
Public works	3,487,973	-	-	-
Capital Outlay	440,116	22,720,433	-	-
Debt service:				
Principal retirement	44,454	-	10,960,000	3,574
Interest and fiscal charges	2,021	-	4,165,708	37
Total Expenditures	56,856,482	23,027,530	15,125,708	7,630,115
Excess (deficiency) of revenues over expenditures	(2,106,768)	(14,505,781)	(678,531)	4,122,714
Other Financing Sources (Uses)				
Issuance of debt	-	5,815,000	-	-
Subscriptions issued	237,232	-	-	-
Premium on issuance of debt	-	80,000	-	-
Proceeds from sale of assets	18,074	-	-	330
Insurance recoveries	23,910	-	-	-
Transfers in	5,394,726	3,288,795	846,018	487,102
Transfers out	(3,659,804)	(3,044,905)	-	(2,569,948)
Total Other Financing Sources (Uses)	2,014,138	6,138,890	846,018	(2,082,516)
Net change in fund balances	(92,630)	(8,366,891)	167,487	2,040,198
Fund Balances - Beginning of Year	26,191,602	75,636,421	1,479,336	11,363,019
Fund Balances - End of Year	$ 26,098,972	$ 67,269,530	$ 1,646,823	$ 13,403,217

See notes to the financial statements.

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	Grants Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ -	$ 7,707,071	$ 71,614,344
Licenses and permits	-	-	2,427,075
Charges for services	-	1,851,907	8,706,978
Gas utility leases and royalties	-	335,440	335,440
Fines	-	120,789	1,367,415
Contributions	-	248,547	271,089
Special assessments	-	721,410	721,410
Investment income	489,294	865,844	9,086,397
Intergovernmental	6,181,064	434,940	13,517,588
Forfeitures	-	64,517	64,517
Miscellaneous	-	6,180	386,219
Total Revenues	6,670,358	12,356,645	108,498,472
Expenditures			
General government	445,681	348,077	15,347,837
Public safety	4,581,027	6,981,679	46,025,694
Culture and recreation	7,490	265,926	12,071,868
Public works	-	440,584	3,928,557
Capital Outlay	27,626	239,627	23,427,802
Debt service:			
Principal retirement	-	193,193	11,201,221
Interest and fiscal charges	-	430,676	4,598,442
Total Expenditures	5,061,824	8,899,762	116,601,421
Excess (deficiency) of revenues over expenditures	1,608,534	3,456,883	(8,102,949)
Other Financing Sources (Uses)			
Issuance of debt	-	-	5,815,000
Subscriptions issued	-	-	237,232
Premium on issuance of debt	-	-	80,000
Proceeds from sale of assets	-	-	18,404
Insurance recoveries	-	-	23,910
Transfers in	246,639	2,205,978	12,469,258
Transfers out	-	(1,131,698)	(10,406,355)
Total Other Financing Sources (Uses)	246,639	1,074,280	8,237,449
Net change in fund balances	1,855,173	4,531,163	134,500
Fund Balances - Beginning of Year	1,301,624	13,355,856	129,327,858
Fund Balances - End of Year	$ 3,156,797	$ 17,887,019	$ 129,462,358

See notes to the financial statements.

CITY OF NORTH RICHLAND HILLS, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

Net Change in Fund Balances - Governmental Funds	**$**	**134,500**
Amounts reported for governmental activities in the statement of activities are different because:		
Change in revenues not considered available in the governmental funds.		699,647
This amount is the amount of governmental activities capital asset additions for the current period, $29,992,745 less $6,564,943 of additions allocated from the internal service funds.		23,427,802
Depreciation/amortization on capital, lease, and subscription assets is reported in the Statement of Activities but does not require the use of current financial resources. Therefore, depreciation/amortization is not reported as expenditures in the governmental funds. This amount excludes $1,956,130 of depreciation/amortization in the internal service funds.		(14,794,339)
The net effect of various transactions involving capital assets (i.e. sales and contributions) is to decrease net position. This amount excludes $318,598 of gain on disposal of assets in the internal service funds.		(10,648)
Governmental funds report the effect of losses on refundings when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.		(143,908)
The issuance of long-term debt (e.g. bonds, leases. subscriptions, etc) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items, and excludes issuance of subscription liabilities and repayment of principal on lease and subscription liabilities that are reflected in the internal service funds.		
Issuance of subscription, excluding internal service funds of $213,927		(237,232)
Issuance of debt		(5,815,000)
Premium on issuance of long-term debt		(80,000)
Repayment of principal on long-term debt		11,150,000
Repayment of principal on leases, excluding internal service funds of $3,818		40,008
Repayment of principal on subscriptions, excluding internal service funds of $156,017		11,213
Amortization of:		
Premium on issuance of long-term debt		690,000
Current year change in accrued interest payable does not require the use of current financial resources; and therefore is not reported as an expenditure in the governmental funds, excluding internal service funds of $4,706.		115,126
Arbitrage due in connection with unspent bond proceeds in governmental activities is not due and payable and therefore is not reported as expenditures in governmental funds. This is the amount of arbitrage liability that is not due and payable within one year.		(2,062,765)
Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Net Pension liability and related deferred outflows and inflows of resources, excluding internal service funds of $49,958		273,265
Net OPEB liability and related deferred outflows and inflows of resources, excluding internal service funds of $187,972		2,214,590
Compensated absences liability, excluding internal service funds of $93,478		(337,661)
The internal service fund is used by management to charge the costs of certain activities, such as facilities and construction services, fleet services, self insurance, and information technology, to individual funds. The change in net position of the internal service funds attributed to governmental activities is to increase net position.		4,309,840
Change in Net Position of Governmental Activities	$	19,584,438

See notes to the financial statements.

CITY OF NORTH RICHLAND HILLS, TEXAS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
September 30, 2024

	Enterprise Funds				Governmental Activities
	Utility	Aquatic Park	Nonmajor Golf	Total Enterprise	Internal Service Funds
Assets					
Current Assets:					
Cash and cash equivalents	$ 12,998,109	$ -	$ 468,221	$ 13,466,330	$ 12,589,403
Investments	16,236,181	1,559,892	36,096	17,832,169	16,084,578
Accounts receivable, net of allowances:					
Billed	3,980,958	-	-	3,980,958	-
Unbilled	2,733,545	-	-	2,733,545	-
Other	8,756	70,345	33,461	112,562	306,422
Interest receivable	7,372	384	16	7,772	7,304
Lease receivable	-	-	-	-	14,326
Prepaid items	6,319	-	72,698	79,017	54,780
Inventories, at cost	471,366	52,282	92,172	615,820	375,098
Total Current Assets	36,442,606	1,682,903	702,664	38,828,173	29,431,911
Noncurrent Assets:					
Restricted cash and cash equivalents	14,416,551	716,160	72,353	15,205,064	3,500,947
Interfund loan receivable	-	-	-	-	500,000
Capital, lease and subscription assets - net:					
Land	75,366	745,771	1,758,000	2,579,137	-
Buildings and improvements	9,665	2,465,964	802,762	3,278,391	179,220
Other improvements	-	977,380	11,983,760	12,961,140	2,219,387
Utility plant in service	152,264,797	-	-	152,264,797	-
Machinery and equipment	2,673,450	23,962,095	2,688,071	29,323,616	20,051,399
Leased equipment	-	-	634,404	634,404	-
Subscription assets	-	-	-	-	752,967
Construction in progress	11,248,988	3,519,602	-	14,768,590	3,115,167
Accumulated depreciation/amortization	(98,542,601)	(18,720,441)	(8,610,357)	(125,873,399)	(10,908,635)
Total capital, lease and subscription assets - net	67,729,665	12,950,371	9,256,640	89,936,676	15,409,505
Total Noncurrent Assets	82,146,216	13,666,531	9,328,993	105,141,740	19,410,452
Total Assets	118,588,822	15,349,434	10,031,657	143,969,913	48,842,363
Deferred Outflows of Resources					
Deferred loss on refunding	7,703	-	-	7,703	-
Deferred outflows - OPEB	340,190	60,336	-	400,526	295,828
Deferred outflows - Pension	2,759,559	351,387	-	3,110,946	2,267,661
Total Deferred Outflows of Resources	3,107,452	411,723	-	3,519,175	2,563,489

See notes to the financial statements.

CITY OF NORTH RICHLAND HILLS, TEXAS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
September 30, 2024

	Enterprise Funds				Governmental Activities
	Utility	Aquatic Park	Nonmajor Golf	Total Enterprise	Internal Service Funds
Liabilities					
Current Liabilities:					
Accounts payable and accrued expenses	$ 2,799,288	$ 77,053	$ 183,558	$ 3,059,899	$ 411,885
Due to other funds	-	3,300,607	-	3,300,607	-
Deposits and other liabilities	83,237	3,352	-	86,589	3,553,319
Customer deposits	4,463,262	-	-	4,463,262	-
Compensated absences	43,650	16,140	-	59,790	46,854
Unearned revenue	-	-	59,581	59,581	-
Accrued interest payable	289,767	78,904	48,862	417,533	9,969
Intergovernmental payables	1,459,882	-	-	1,459,882	-
Bonds payable	1,650,000	435,000	215,000	2,300,000	-
Lease liabilities	1,573	651	122,913	125,137	2,203
Subscription liabilities	-	-	-	-	195,105
Total Current Liabilities	10,790,659	3,911,707	629,914	15,332,280	4,219,335
Noncurrent Liabilities:					
Bonds payable	20,653,372	2,999,219	2,644,169	26,296,760	-
Lease liabilities	-	-	487,757	487,757	-
Subscription liabilities	-	-	-	-	240,643
Arbitrage payable	293,872	-	-	293,872	-
Compensated absences	286,089	106,357	-	392,446	313,610
Interfund loan payable	-	500,000	-	500,000	-
Net OPEB liability	1,997,726	354,313	-	2,352,039	1,737,213
Net pension liability	5,225,366	665,369	-	5,890,735	4,293,933
Total Noncurrent Liabilities	28,456,425	4,625,258	3,131,926	36,213,609	6,585,399
Total Liabilities	39,247,084	8,536,965	3,761,840	51,545,889	10,804,734
Deferred Inflows of Resources					
Deferred inflows - OPEB	1,490,336	264,323	-	1,754,659	1,295,990
Deferred inflows - Pension	211,296	26,906	-	238,202	173,633
Deferred inflows - Leases	-	-	-	-	21,425
Total Deferred Inflows of Resources	1,701,632	291,229	-	1,992,861	1,491,048
Net Position					
Net investment in capital assets	52,251,439	9,515,501	5,786,801	67,553,741	14,972,202
Impact fees restricted for construction	6,113,824	-	-	6,113,824	-
Unrestricted net position (deficit)	22,382,295	(2,582,538)	483,016	20,282,773	24,137,868
Total Net Position	$ 80,747,558	$ 6,932,963	$ 6,269,817	$ 93,950,338	$ 39,110,070

Reconciliation to business-type activities:

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal balances are included with business-type activities.	14,077,817
Net Position of business-type activities	$ 108,028,155

See notes to the financial statements.

CITY OF NORTH RICHLAND HILLS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Enterprise Funds				Governmental Activities Internal Service Funds
	Utility	Aquatic Park	Nonmajor Golf	Total Enterprise	
Operating Revenues					
Charges for services:					
Water and sewer service	$ 44,458,864	$ -	$ -	$ 44,458,864	$ -
Service charges	1,367,826	-	-	1,367,826	-
Inspection fees	125,592	-	-	125,592	-
Golf course fees and charges	-	-	3,252,482	3,252,482	-
Aquatic park admissions and services	-	4,657,634	-	4,657,634	-
Risk management	-	-	-	-	13,362,407
Facilities and fleet management	-	-	-	-	7,657,697
Information systems management	-	-	-	-	4,441,947
Miscellaneous revenues	328,384	14,880	-	343,264	835,366
Total Operating Revenues	46,280,666	4,672,514	3,252,482	54,205,662	26,297,417
Operating Expenses					
Claims	-	-	-	-	14,479,383
Contractual services	7,237,365	1,231,583	-	8,468,948	4,483,148
Water purchases	12,417,649	-	-	12,417,649	-
Wastewater treatment services	7,906,792	-	-	7,906,792	-
Personnel services	5,600,171	2,202,834	-	7,803,005	4,108,336
Golf course sales and service	-	-	2,869,158	2,869,158	-
Repairs and maintenance	1,420,623	224,460	-	1,645,083	5,025,709
Supplies	402,221	538,145	3,383	943,749	217,162
Depreciation/amortization	4,032,384	978,952	296,275	5,307,611	1,956,130
Total Operating Expenses	39,017,205	5,175,974	3,168,816	47,361,995	30,269,868
Operating income (loss)	7,263,461	(503,460)	83,666	6,843,667	(3,972,451)
Nonoperating Revenues (Expenses)					
Investment income	2,081,566	114,016	4,176	2,199,758	2,047,176
Interest expense	(925,629)	(114,436)	(187,306)	(1,227,371)	(21,451)
Other income	62,358	339	-	62,697	35,511
Gain on disposal of assets	-	865	3,383	4,248	318,598
Total Nonoperating Revenues (Expenses)	1,218,295	784	(179,747)	1,039,332	2,379,834
Income (loss) before capital contributions and transfers	8,481,756	(502,676)	(96,081)	7,882,999	(1,592,617)
Capital contributions	-	-	-	-	1,540,237
Transfers in	-	-	-	-	3,379,416
Transfers out	(4,716,969)	-	-	(4,716,969)	(725,350)
Total Capital Contributions and Transfers - Net	(4,716,969)	-	-	(4,716,969)	4,194,303
Change in net position	3,764,787	(502,676)	(96,081)	3,166,030	2,601,686
Net Position - Beginning of Year	76,982,771	7,435,639	6,365,898	90,784,308	36,508,384
Net Position - End of Year	$ 80,747,558	$ 6,932,963	$ 6,269,817	$ 93,950,338	$ 39,110,070

Reconciliation to business-type activities:	
Change in net position of enterprise funds	$ 3,166,030
Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal balances are included with business-type activities.	(1,708,154)
Change in net position of business-type activities	$ 1,457,876

See notes to the financial statements.

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended September 30, 2024

	Enterprise Funds				Governmental Activities
	Utility	Aquatic Park	Nonmajor Golf	Total Enterprise	Internal Services
Cash flows from operating activities:					
Receipts from customers	$ 47,372,467	$ 4,672,845	$ 3,239,807	$ 55,285,119	$ -
Receipts from (payments for) interfund services provided	-	-	-	-	26,126,129
Payments to suppliers	(28,721,497)	(1,937,756)	(2,867,319)	(33,526,572)	(21,410,595)
Payments to employees	(5,684,344)	(2,285,798)	-	(7,970,142)	(4,441,661)
Net cash provided by operating activities	12,966,626	449,291	372,488	13,788,405	273,873
Cash flows from noncapital financing activities:					
Transfers from other funds	-	-	-	-	3,379,416
Transfers to other funds	(4,716,969)	-	-	(4,716,969)	(725,350)
Advances from other funds	-	3,300,607	-	3,300,607	-
Other noncapital financing receipts	62,358	339	-	62,697	35,511
Net cash provided by (used for) noncapital financing activities	(4,654,611)	3,300,946	-	(1,353,665)	2,689,577
Cash flows from capital and related financing activities:					
Capital contributions	-	-	-	-	1,540,237
Acquisition and construction of capital assets	(5,955,131)	(2,817,270)	-	(8,772,401)	(6,351,015)
Principal paid on capital debt, leases, and subscriptions	(1,716,170)	(431,341)	(316,625)	(2,464,136)	(159,835)
Interest paid on capital debt, leases, and subscriptions	(1,013,162)	(138,606)	(192,633)	(1,344,401)	(14,542)
Proceeds from sale of capital assets	-	865	3,383	4,248	353,444
Net cash used for capital and related financing activities	(8,684,463)	(3,386,352)	(505,875)	(12,576,690)	(4,631,711)
Cash flows from investing activities:					
Sale (purchase) of investments, net	(4,767,291)	(477,901)	(1,614)	(5,246,806)	1,625,649
Interest and dividends received	2,081,566	114,016	4,176	2,199,758	2,047,176
Net cash provided by (used for) investing activities	(2,685,725)	(363,885)	2,562	(3,047,048)	3,672,825
Net increase (decrease) in cash and cash equivalents	(3,058,173)	-	(130,825)	(3,188,998)	2,004,564
Cash and cash equivalents, beginning of year	30,472,833	716,160	671,399	31,860,392	14,085,786
Cash and cash equivalents, end of year	27,414,660	716,160	540,574	28,671,394	16,090,350
Reconciliation of Cash and Cash Equivalents to Statement of Net Position - Proprietary Funds					
Cash and cash equivalents - current	12,998,109	-	468,221	13,466,330	12,589,403
Cash and cash equivalents - noncurrent	14,416,551	716,160	72,353	15,205,064	3,500,947
Total cash and cash equivalents	27,414,660	716,160	540,574	28,671,394	16,090,350
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	7,263,461	(503,460)	83,666	6,843,667	(3,972,451)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation/amortization expense	4,032,384	978,952	296,275	5,307,611	1,956,130
(Increase) decrease in accounts receivable	172,063	331	(12,675)	159,719	(171,288)
(Increase) decrease in prepaid items	(332)	(20,478)	(6,791)	(27,601)	417,806
(Increase) decrease in inventories	857,672	-	-	857,672	(129,788)
(Increase) decrease in deferred outflows of resources - pension	1,573,683	200,384		1,774,067	1,293,171
(Increase) decrease in deferred outflows of resources - OPEB	(43,237)	(7,669)		(50,906)	(37,600)
Increase (decrease) in accounts payable	68,799	60,650	20,762	150,211	2,516,558
Increase (decrease) in customer deposits	919,738	-	-	919,738	-
Increase (decrease) in compensated absences	(135,471)	5,547	-	(129,924)	(93,478)
Increase (decrease) in unearned revenues	-	(26,171)	(8,749)	(34,920)	-
Increase (decrease) in intergovernmental payables	65,268	-	-	65,268	-
Increase (decrease) in deferred inflows of resources - pension	208,171	26,508	-	234,679	171,065
Increase (decrease) in deferred inflows of resources - OPEB	222,382	39,441	-	261,823	193,383
Increase (decrease) in deferred inflows of resources - leases	-	-	-	-	(11,686)
Increase (decrease) in net pension/OPEB liabilities	(2,237,955)	(304,744)	-	(2,542,699)	(1,857,949)
Total Adjustments	5,703,165	952,751	288,822	6,944,738	4,246,324
Net cash provided by operating activities	$ 12,966,626	$ 449,291	$ 372,488	$ 13,788,405	$ 273,873
Schedule of non-cash capital and related financing activites:					
Purchase of capital assets on account	$ 338,560	$ -	$ -	$ 338,560	$ -
Leases and subscriptions issued	-	-	634,405	634,405	213,927

See notes to the financial statements.

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND

September 30, 2024

	(As of December 31, 2023) OPEB Trust
Assets	
Investments, at fair value:	
Investments in master trust	$ 2,988,834
Total Assets	$ 2,988,834
Net Position	
Restricted for other post employment benefits	$ 2,988,834
Total Net Position	$ 2,988,834

See notes to the financial statements.

NORTH RICHLAND HILLS
NRH
1953
TEXAS

CITY OF NORTH RICHLAND HILLS, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND

For the Year Ended September 30, 2024

	(For the Year Ended December 31, 2023) OPEB Trust
Additions	
Contributions:	
Employer	$ 1,528,447
Net investment income	369,756
Total Additions	1,898,203
Deductions	
Benefit payments	1,528,447
Administrative expenses	16,162
Total Deductions	1,544,609
Change in net position	353,594
Net Position - Beginning	2,635,240
Net Position - Ending	$ 2,988,834

See notes to the financial statements.

Note I - Summary of Significant Accounting Policies

The City of North Richland Hills, Texas (the "City") Home Rule Charter was adopted by the voters at an election held on November 3, 1964. The City operates under a Council-Manager form of government. The City provides a full range of services including police and fire protection; municipal court operations; the construction and maintenance of streets and infrastructure; parks, library, and recreational activities including tennis center operations; neighborhood services activities; planning and inspections; and the operations of a water and wastewater system, a golf course, and a public water park. A private contractor, through a franchise agreement, provides solid waste collection and disposal services for the City.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

A. Reporting Entity

As required by GAAP, these basic financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. The blended component units, although legally separate entities, are, in substance, part of the primary government's operations. As such, data from these units is combined with data of the primary government. Discretely presented component units are entities that are legally separate from the City, but for which the City is financially accountable or whose relationships with the City are such that exclusion would be misleading or incomplete. The City currently has no discretely presented component units.

Blended Component Units - The North Richland Hills Parks and Recreation Facilities Development Corporation ("PRD") is used to account for the accumulation of resources to build and improve City parks and recreational facilities and fund economic development activities. The North Richland Hills Crime Control and Prevention District ("CCD") is used to account for the accumulation and use of half-cent sales tax proceeds dedicated for crime reduction programs. The PRD and CCD are reported as special revenue funds of the primary government. The Boards of Directors of both component units are substantially the same as the City Council.

Tax Increment Refinancing Zone #3 ("TIF #3") was created to provide funding for public improvements that would benefit the participants in and citizens of TIF #3. TIF #3 is primarily located in the immediate area around the NRH City Hall municipal complex and designed to promote development on one of the last few undeveloped areas in the City. Included in this development is a Public Improvement District ("PID") through which the underground and surface infrastructure was constructed. The TIF # 3 board consists of representatives from the City Council and Tarrant County.

The TIF #3 meets the criteria for blending as the City Council and TIF #3 Board is substantially the same. In addition, although another entity is involved in the TIF, the primary financial benefit or burden relationship is between the City and the TIF #3, and management of the City has day-to-day operational responsibility for the activities of the TIF #3.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (*i.e.*, the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its blended component units. For the most part, the effect of interfund activity has been eliminated from these statements. However, interfund services provided and used are not eliminated in the consolidation process. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and grants and contributions that are designated to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus and the modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and other postemployment benefits obligations, and claims and judgments are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and certain other fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources traditionally associated with governments which are not required to be accounted for in another fund. Major functions financed by the General Fund include general government, public safety, culture and recreation, and public works. Financing is provided from taxes (primarily property, sales, and franchise), licenses and permits, fines, and investment income.

The General Capital Projects Fund is used to account for financial resources used for the acquisition and construction of major street, drainage, and municipal facilities capital assets.

The General Debt Service Fund accounts for the accumulation of resources for the payment of principal, interest, and related charges on long-term general obligation debt of governmental funds. Financing is provided primarily by a specific annual property tax levy.

The Parks and Recreation Facilities Development Fund, a capital projects fund, accounts for the accumulation and use of resources to build and improve City parks and recreation facilities as well as economic development projects. Financing is provided from taxes (primarily sales) and charges for services.

The Grants Fund is a centralized fund accounting for all private, local, state, and federal grant proceeds.

The City reports the following major proprietary funds:

The Utility Fund accounts for the distribution of water, transportation of wastewater, and solid waste removal services provided to the residents of the City. All activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, financing and debt service, and billing and collections.

The Aquatic Park Fund accounts for the operation of NRH$_2$O, the City's public water park. All activities necessary to operate the park are accounted for in the fund, including, but not limited to, administration, park operations, park maintenance, and financing and debt service.

The Golf Course Fund accounts for the operations of Iron Horse Golf Course, the City's public golf course. All activities necessary to operate the course are accounted for in the fund, including, but not limited to, administration, operations, course maintenance, and financing and debt service. The Golf Course is the only non-major proprietary fund.

Internal Service Funds account for building maintenance services, fleet management, computer and telephone service, as well as insurance coverage provided to other departments of the City, on a cost reimbursement basis.

The City also reports one fiduciary fund. The OPEB Trust Fund accounts for the activities of the long-term funding of the City's other post-employment benefits provided. These funds are contributed by the City on an annual basis to help offset future costs and outflows for post- employment benefits payments.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital, lease and subscription assets. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance

Deposits and investments

Cash and cash equivalents consist of bank deposits and investments with an original maturity of three months or less, including investment pools. Substantially all operating deposits and investments are maintained in pooled deposits and investment accounts. Interest income relating to pooled deposits and investments is allocated monthly to the participating individual funds based on each fund's pro-rata share of total pooled deposits and investments.

Investments consist of (1) investments in public fund investment pools, (2) short-term investments that mature in 12 months or less from the time of purchase and (3) investments that mature in greater than 12 months from the time of purchase. Other than investment pools, most of the City's investments are long-term (i.e., at the time of purchase, the maturity equals or exceeds one year) and, accordingly, the investments are carried at fair value. The government's investment pools operate in accordance with state laws and regulations. Investments in external pools are carried at either net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the City's fiscal year end. In instances where pools transact at amortized cost, no readily determinable fair value is deemed available.

Legal provisions generally permit the City to invest in certificates of deposit, repurchase agreements, public funds investment pools, direct obligations of the United States of America or its subdivisions, and state and local government securities. During the year ended September 30, 2024, the City did not own any types of securities other than those permitted by statute.

For the purposes of presenting the statement of cash flows for Proprietary Funds, cash and cash equivalents are defined as cash and the funds' investment in the City's pooled accounts which provide cash-equivalent liquidity.

Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real property and certain personal property located in the City. Tax liens attach as of February 1. Taxes are due upon receipt of the tax bill.

Property taxes are limited by the Texas Constitution to $2.50 per $100 of assessed valuation and by City Charter to $1.50 per $100 assessed valuation. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2024 was $0.489389 per $100 of assessed valuation.

Lease Receivable

The City is a lessor for noncancellable leases related to cellular towers, building space, and billboards. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the lessee's rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses its incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Inventories and prepaid items

In accordance with the consumption method of accounting, both inventories and prepaid items of governmental funds are recorded as expenditures when consumed rather than when purchased.

All inventories are valued at cost using the first-in/first-out ("FIFO") method. Inventories are offset by a fund balance reserve account in applicable governmental funds to indicate the inventory values are not available for appropriation and are not expendable financial resources.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted assets

Certain resources set aside for the repayment of outstanding City debt are classified as restricted assets on the governmental activities balance sheet or proprietary funds statement of net position because their use is limited. The "debt service reserve funds" are used to segregate resources accumulated for outstanding debt. The "construction funds" account includes, but is not limited to, unspent bond proceeds that are limited as to use for financing the acquisition or construction of capital assets.

Restricted assets defined as noncurrent assets in the Utility Fund are customer deposits, impact fees and unspent bond proceeds. The limitation for customer deposits is contractually supported. The City is not allowed to use the funds unless it is to refund back to the customer for good standing account history or that they default upon the terms of the agreement. Impact fees are a restriction imposed by the City's governing body for the purpose of collection of funds from developers for specific utility infrastructure improvement projects. Unspent bond proceeds are limited as to use for financing the acquisition or construction of capital assets. State of Texas Statutes grant this authority to the City Council which upon their approval is valid for a five-year period. Every five years, the impact fee plan expires and a new program must be developed and submitted to Council for approval.

The Information Technology (Internal Service) Fund contains assets used for future system improvements. The intended purpose is to fund major computer system software and hardware system replacements and upgrades.

The Facilities and Construction Services and Fleet Services (Internal Service) Funds contain assets to be used for building and equipment maintenance and replacement. The building reserve is used to accumulate funds for the implementation of the multi-year plan. The equipment reserve is used to accumulate funds for the replacement of vehicles and heavy equipment.

The Self-Insurance (Internal Service) Fund contains assets to be used for future insurance claims. Funds will be accumulated until needed to cover these costs of excessive claims or until management has determined sufficient funds have been accumulated to cover future claims. Future claims of the Self-Insurance Internal Service Fund are funds set aside and obligated for medical, dental, prescription, or other risk payables that could arise in future fiscal periods. This fund has a very proactive approach to plan for future claims and ensure that funding is available to pay should the need occur.

Assets limited to use

Certain assets are restricted by various legal and contractual obligations. Certain proceeds of bonds, certain resources set aside for the repayment or bonds, grant funds, donations, and other resources, are classified as noncurrent assets or assets limited to use on the statement of net position/balance sheet because their use is limited by applicable bond covenants or contractual agreements.

The Parks and Recreation Development Fund and the Grants Fund contain assets restricted for specific activities and projects.

The Crime Control and Prevention District (Special Revenue) Fund contains assets restricted for transition. The "transition" term is used to identify funds that are covered by Texas Sales Tax laws and has been restricted to offset future unforeseen circumstances (i.e. dissolution of the fund due to citizens vote to end operations of the district). If the half-cent sales tax funding CCD activities is discontinued, the restricted assets will be used to fund those activities until an alternate funding source can be identified (i.e., during the transition period).

Capital assets

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, drainage facilities, parks and related improvements, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund level financial statements. Capital assets are defined by the City as assets with an initial, individual cost of at least $5,000 and an estimated useful life in excess of one year. Assets purchased or constructed are recorded at historical cost when available or estimated historical cost if actual cost is unavailable (except for intangible right-to-use leased assets). Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are capitalized at the following thresholds and are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Category	Useful Life	Capitalization Threshold
Land	N/A	$ -
Buildings and improvements	30 years	100,000
Other improvements	30 years	100,000
Water, sewer system and other infrastructure	33 years	100,000
Furniture and fixtures, & certain machinery and equipment	10 years	5,000
Firetrucks and ambulances	20 years	5,000
Other machinery and equipment including vehicles	3-12 years *	5,000

** Range is due to different machinery and equipment having different levels of capitalization thresholds within fiscal policy.*

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The City recognizes lease assets with an initial, individual value of $5,000 or more.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straightline basis over the shorter of the SBITA term or the useful life of the underlying IT asset. The City recognizes subscription assets with an initial, individual value of $5,000 or more.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred loss on refunding – A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

- Changes in actuarial assumptions and other inputs included in determining the OPEB liability – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Differences between expected and actual economic experience for the City's pension and OPEB plans – These effects on the pension and OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Differences between expected and actual economic experience for the City's pension and OPEB plans – These effects on the pension and OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

- Changes in actuarial assumptions and other inputs included in determining the pension and OPEB liability – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Leases – Represents the initial value of the lease receivable under GASB 87 systematically reduced and recognized as lease revenue over the term of the lease. This deferred inflow is recorded at both the fund level and government-wide financial statements.

- Unavailable revenue – This arises only under a modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, ambulance fees and assessments.

Compensated absences

City employees are granted vacation leave in varying amounts depending on length of service. Sick leave is also granted to employees. In the event of termination, an employee will be paid for all unused vacation leave credit upon separation from employment with the City. Employees who are eligible to utilize their accrued vacation but who have not completed their probationary period are not eligible to be paid for unused vacation at the time of separation. No reimbursement is made for unused accumulated sick leave upon termination of employment, except upon retirement. Upon retirement, an employee may convert up to six weeks of accrued sick leave to vacation. Sick pay is recorded when taken. All vacation pay is accrued as vested and included in accrued liabilities in the government-wide and proprietary fund financial statements. Accrued vacation pay, including converted sick leave, that is expected to be liquidated within one year, is reported as a short-term liability. The remainder of the liability is reflected as long-term.

Unearned revenue

Governmental funds report a liability, unearned revenue, in connection with resources that have been received, but not yet earned, which consists primarily of grant dollars received in advance of incurring eligible expenditures. The Golf fund reports a liability, unearned revenue, in connection with resources that have been received, but not yet earned, which consists primarily of advance payments, gift certificates, store credit and deposits.

Long-term obligations

In the government-wide financial statements and proprietary funds financial statements, long- term debt and other long- term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts and gains/losses on bond refunding transactions are deferred and amortized over the life of the related debt. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as, bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lease Liability

The City is a lessee for noncancellable leases of vehicles, equipment, and other machinery. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require are measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital, lease and subscription assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Subscription Liability

The City contracts for noncancellable subscriptions of information technology software. The City recognizes a subscription liability and an intangible subscription asset (subscription asset) in the government-wide financial statements.

At the commencement of a subscription, the City measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs.

Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the subscription-based information technology arrangement (SBITA) vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with capital, lease, and subscription assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its fiduciary net position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Defined Benefit Other Postemployment Benefit Plan

The City has a single employer defined benefit other postemployment (benefit) OPEB plan (Plan). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources of governmental and business-type activities and proprietary funds. The government-wide and proprietary fund financials utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This amount consists of capital, lease and subscription assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt, that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position – This amount is restricted by external parties such as creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

Fund balance

Fund balances are reported within one of the fund balance categories listed below:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover the gap between estimated revenue and appropriations in the subsequent year's budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

Committed Fund Balance Policy

Fund balances are committed by the City Council under specific ordinances which were adopted to restrict the utilization of special revenue sources. Once the ordinances are adopted, the limitation imposed remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Fund balance reporting as a result of ordinances passed by City Council:

- General Donations or contributions to the City that do not have specific goals designated by the donor are committed by council ordinance to keep the original general intent for which they were received.
- Drainage Utility Fees are to be utilized for the infrastructure or debt service for such infrastructure.
- Gas Development funds are used for specific projects for various reasons such as deemed necessary by city management.
- Capital Projects funds that are not bond proceeds restricted by legal provisions are committed by council ordinance to be utilized for capital projects.

Assigned Fund Balance Policy

Approved by the fund balance policy, the City's Assigned Fund Balance is under the direction of the City Manager, (as authorized by the City Council).

- Capital projects are proceeds assigned by management through budget appropriations to fund special capital projects not funded through bond proceeds.
- Recreation Centre assignment is net operations for the program for future infrastructure maintenance and operational needs.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance depleted before using any of the components of unrestricted fund balance. Further when the components of unrestricted fund balance can be used for the same purposes, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Minimum Fund Balance

At the end of each fiscal year, the General Fund should maintain a minimum unassigned fund balance that is no less than 15% of the subsequent year's General Fund Appropriated Expenditure budget. This target amount has been established in order to provide a reasonable level of assurance that the City's day-to-day operations will be able to continue even if circumstances occur where revenues are insufficient to cover expenditures.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the City's management to make estimates and assumptions that effect reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results may differ from those estimates.

Adoption of New Accounting Standards

The City adopted and implemented the following statement during the fiscal year ended September 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections*—and amendment of GASB Statement No. 62 – This statement improves the clarity and requirements for accounting changes and error corrections. The adoption had no effect on the City.

Future Financial Reporting Requirements

The GASB has issued the following potentially significant statements which the City has not yet adopted, and which require adoption subsequent to September 30, 2024. The City will evaluate the potential impact on the City's net position.

Statement No.	Title	Adoption Required
101	*Compensated Absences*	September 30, 2025
102	*Certain Risk Disclosures*	September 30, 2025
103	*Financial Reporting Model Improvements*	September 30, 2026
104	*Disclosure of Certain Capital Assets*	September 30, 2026

Note II - Detailed Notes on all Funds

A. Deposits and investments

Deposits - The City maintains an entity wide cash and investment pool that is available for use by all funds. Each fund's portion of the pool is displayed on the statement of net position as "Cash and Cash Equivalents" and "Investments".

The investment policy of the City is governed by State statute and a Council adopted City Investment Policy. Major controls stipulated in the Investment Policy include: depository limitations require Federal Deposit Insurance Corporation ("FDIC") insurance or full 100 percent collateralization; depositories are limited to Texas banking institutions; all collateral for repurchase agreements and deposits held by independent third party trustees; all settlement is delivery versus payment; all authorized investments are defined; and diversification guidelines are set as are maximum maturity and maximum weighted average maturity. State statutes require all time and demand deposits to be fully insured or collateralized. At September 30, 2024, the bank balances of the City's demand deposits were $8,557,154. Accounts with under $250,000 balance of either an interest-bearing account or non-interest-bearing account are covered by FDIC deposit insurance. The total cash held in demand deposits has been collateralized and meets the statutes' requirements.

As of September 30, 2024, the City's cash and investment pool portfolio are held by the City's custodian in the City's name under written agreements. The City's custodian is JP Morgan Chase. The City's cash and investment portfolio, excluding the fiduciary fund, held the following cash, cash equivalents, and investments as of September 30, 2024:

Cash on hand (petty cash, cashier tills)	$	59,346
Demand Deposit Accounts		8,124,076
Investment Pools		129,116,872
Federal Agency Bond/Note		36,878,042
Municipal Bond/Note		17,798,004
Commercial Paper		5,920,388
U.S. Treasury Bond/Note		12,311,751
Total Deposits and Investments	$	210,208,479

Legal provisions generally permit the City to invest in certificates of deposit, repurchase agreements, public funds investment pools, direct obligations of the United States of America or its subdivisions, and state and local government securities. Because the City is responsible for the investment portfolio of its blended component units, the City's investment practices and policies disclosed herein apply equally to its component units. During the year ended September 30, 2024, the City did not own any types of securities other than those permitted by statute.

TexPool falls under the purview of the Texas Comptroller of Public Accounts ("Comptroller") who is responsible for oversight of TexPool operations. TexasRange and TexasConnect are directed by an Advisory Board of experienced local government officials, finance directors and treasurers and is managed by a team of industry leaders that are focused on providing professional investment services to investors. Duties of the governing boards include oversight responsibility. The Comptroller and the governing boards exercise oversight of the pools' activities via daily, weekly, and monthly reporting requirements. Additionally, per the requirements of the Public Funds Investment Act ("PFIA"), all pools will maintain an AAA or equivalent rating from at least one nationally recognized rating agency. The PFIA also requires an annual examination of the financial statements of the pools by an independent certified public accounting firm. TexPool, TexasConnect and TexasRange are carried at amortized cost.

Investments - Weighted average maturity ("WAM") of the portfolio by investment type categories reflected in the following table is stated in days. Additional information about the rating agency or the significance of the ratings provided may be obtained from the agency's website. As of September 30, 2024, the City held the following investments:

Investment Type	WAM	S&P Rating	Moody Rating	Carrying Value
Investment Pools:				
TexPool	1	AAAm	N/A	$ 113,006,614
TexasRange	1	AAAm	N/A	8,066,440
TexasConnect	1	AAAm	N/A	8,043,818
Federal Agency Bond/Note	1,075	AA+	Aaa	36,878,042
Municipal Bond/Note	970	A+, AA, AA+	Aa3	17,798,004
Commercial Paper	139	AAA	Aaa	5,920,388
U.S. Treasury Bond/Note	795	AA+	Aaa	12,311,751
Total Portfolio	293			$ 202,025,057

In accordance with GASB Statement No. 72, *"Fair Value Measurement and Application,"* the City records investments at fair value. However, for participating interest-earning investments contracts with maturities of one year or less at time of purchase, the City reports these investments at amortized cost.

Interest Rate Risk

Interest rate risk is the potential for a decline in market value due to rising interest rates. In accordance with its formally adopted investment policy, the City manages its exposure to declines in fair market value by limiting the portfolio's weighted average maturity to a maximum of 730 days. The City also employs an investment maturity laddering structure to stagger investment maturities at various monthly rungs on the ladder. This laddering structure provides the City with the ability to reinvest the proceeds from the maturities in higher-yielding securities given the proceeds are not required to meet immediate cash flow needs.

Custodial credit risk is the risk that a government will not be able to recover (a) deposits if the depository financial institution fails or (b) the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails. To minimize such risk, the City requires collateralization of most deposits in excess of coverage, utilizes the delivery vs. payment method for investment purchases, and contracts with a third-party safekeeping agent. In conjunction with JP Morgan Chase, the City has exercised the option to accept a Federal Home Loan Bank Irrevocable Standby Letter of Credit, as the first $9,500,000 of collateral.

Per the terms of its depository agreement, for bank deposits in excess of the coverage provided by the FDIC, the City requires the depository bank to pledge to the City securities (collateral) equal to the following percentages, as applicable, to the largest balances the City maintains in the Bank.

Maturity of Collateral	U.S. Treasuries	Other Securities
1 year or less	101%	102%
1 year to 5 years	102%	105%
Over 5 years	103%	110%

The percentages as shown reflect the requirement based on fair value of the pledged securities.

The City's depository bank also acts as its safekeeping agent per the terms of the depository contract. City policy dictates that all securities rendered for payment will be sent delivery vs. payment meaning that the funds required for purchase of a security will not be released until the safekeeping agent has received the security purchased in the City's name. No broker holds City funds. The City does not purchase securities from its depository bank or any subsidiary banks of the same bank holding company.

Credit Risk

The Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In order to minimize credit risk, the City limits investments to those rated as to investment quality of not less than "A" or its equivalent by a nationally recognized rating firm. Diversification of the portfolio is also employed to manage credit risk. The investment policy limits the percentage of the portfolio that may be invested in any specific type of security. Ratings for the City's investments and the percentage of the total portfolio of each investment type held at the end of year can be found on the first table in this section.

Other Post-Employment Benefit ("OPEB") Trust Fund Investments

The City has contracted with Public Agency Retirement Services ("PARS") for trust administration and Union Bank serves as the trustee for all investments of the OPEB Trust Fund. The OPEB Plan does not have a formal policy for custodial credit risk. As of September 30, 2024 all investments are registered in the name of the OPEB Plan's custodian established through a master trust custodial agreement. The OPEB Trust Fund investments are carried at fair value of $2,988,834 as of December 31, 2023. The investment in master trust is classified in Level 3 of the fair value hierarchy using quoted market prices of the mutual funds owned by the trust, allocated among members. The Trust's funds are invested in a mutual fund that is invested in equity, money market and fixed income mutual funds. The investment strategy of the OPEB Trust Fund is to provide current income with capital appreciation. The credit rating and weighted average maturity is not available for the pool.

- Interest Rate Risk – Interest rate risk is the potential for a decline in market value due to rising interest rates. In accordance with its formally adopted investment policy, the Trust committee has chosen to use moderate risk levels. Exposure to market fluctuations can occur, and the investment strategy is reviewed annually to ensure that exposure to these market fluctuations is appropriate.

- Custodial Credit Risk – Custodial credit risk is the risk that a government will not be able to recover (a) deposits if the depository financial institution fails or (b) the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails. The Trust is not covered by any collateral agreement or FDIC insurance.

- Credit Risk – The Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The risk tolerance chosen by the Trust is moderate. The mutual fund investment is not rated.

Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair hierarchy in which the fair value measurements fall at September 30, 2024:

	Fair Value	Level 1	Level 2	Level 3
Investments measured at fair value:				
Federal Agency Bond/Note	$ 36,878,042	$ 8,562,422	$ 28,315,620	$ -
Municipal Bond/Note	17,798,004	1,322,673	16,475,331	-
Commercial Paper	5,920,388	715,290	5,205,098	-
U.S. Treasury Bond/Note	12,311,751	12,311,751	-	-
Investment in OPEB Trust	2,988,834	-	-	2,988,834
Total investments measured at fair value	$ 75,897,019	$ 22,912,136	$ 49,996,049	$ 2,988,834
Investments measured at amortized cost - TexasRange	8,066,440			
Investments measured at amortized cost - TexPool	113,006,614			
Investments measured at amortized cost - TexasConnect	8,043,818			
Total investments	$ 205,013,891			

Certain investments that are measured using amortized cost have not been classified in the fair value hierarchy.

Investments in State Investment Pools

During the year, the City invested in multiple public investment pools, including TexPool, TexasRange, and TexasConnect. TexasRange, TexPool and TexasConnect are measured at amortized cost. Each pool's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pools are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. Pools offer same day access to investment funds.

B. Receivables

Governmental and Business-type funds' receivables as of year-end for the City's major funds and non-major in the aggregate, net of the applicable allowances for uncollectible accounts, are as follows:

	General Fund	General Capital Projects	General Debt Service	Parks and Recreation Development	Grants Fund	Non-major Governmental Funds	Total Governmental Funds
Accounts	$ 2,355,219	$ -	$ -	$ -	$ -	$ 224,834	$ 2,580,053
Property taxes	801,987	-	-	-	-	-	801,987
Other taxes	2,505,355	-	-	1,199,684	-	1,325,223	5,030,262
Interest	5,651	5,772	377	2,597	200	3,107	17,704
Special assessments	-	132,657	-	-	-	-	132,657
Intergovernmental	-	806,553	-	-	2,263,378	-	3,069,931
Leases	1,351,413	-	-	-	-	-	1,351,413
Other	350,387	-	-	45,251	-	20,225	415,863
Total	7,370,012	944,982	377	1,247,532	2,263,578	1,573,389	13,399,870
Allowance	(1,307,321)	-	-	-	-	(5,608)	(1,312,929)
Total (net of allowance)	$ 6,062,691	$ 944,982	$ 377	$ 1,247,532	$ 2,263,578	$ 1,567,781	$ 12,086,941

	Utility	Aquatic Park	Golf	Total Enterprise Funds	Internal Service
Accounts	$ 6,951,887	$ 70,345	$ 33,461	$ 7,055,693	$ 306,422
Interest	7,372	384	16	7,772	7,304
Leases	-	-	-	-	14,326
Total	6,959,259	70,729	33,477	7,063,465	328,052
Allowance	(228,628)	-	-	(228,628)	-
Total (net of allowance)	$ 6,730,631	$ 70,729	$ 33,477	$ 6,834,837	$ 328,052

Lease Receivable

The City leases a portion of its property to various cell phone companies and businesses who use the space to conduct their operations, the terms of which expire 2026 through 2039. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

The City recognized $102,493 in lease revenue and $30,031 in interest revenue during the current fiscal year related to these leases. As of September 30, 2024, the City's receivable for lease payments was $1,365,739. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of September 30, 2024, the balance of the deferred inflow of resources was $1,322,985.

The following is a schedule by year of minimum payments to be received under the City's leases that are included in the measurement of the lease receivable as of September 30, 2024:

Year Ending September 30,	Principal	Interest	Total Receipts
2025	$ 90,764	$ 28,264	$ 119,028
2026	78,086	26,460	104,546
2027	88,917	24,711	113,628
2028	93,915	22,740	116,655
2029	95,940	20,715	116,655
2030-2034	477,369	72,606	549,975
2035-2039	440,748	21,311	462,059
Total	$ 1,365,739	$ 216,807	$ 1,582,546

Unearned Revenue

At the end of the current fiscal year, the various components of unearned revenue were as follows:

	Unearned Revenue
General Fund:	
Grant proceeds	$ 1,110
Escrow deposits	17,993
Miscellaneous	2,980
Total General Fund	22,083
Parks and Recreation Development:	
Centre and event deposits for future services	110,180
Capital Projects Fund:	
Grant proceeds	2,062,984
Grants Fund:	
Grant proceeds	4,706,437
Nonmajor Governmental Funds:	
Miscellaneous	144,205
Total Nonmajor Governmental Funds	144,205
Enterprise Funds:	
Advanced Payments, Gift Certificates, Store Credit	59,581
Total Unearned Revenue	$ 7,105,470

C. Capital, Lease and Subscription Assets

Capital, lease and subscription asset activity for the primary government for the year ended September 30, 2024, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated/amortized:					
Land	$ 80,952,470	$ 7,701	$ -	$ -	$ 80,960,171
Works of art	310,208	-	-	-	310,208
Assets held for sale	14,612	-	-	-	14,612
Construction in progress	17,626,113	27,119,982	(5,000)	(17,990,560)	26,750,535
Total capital assets, not being depreciated/amortized:	98,903,403	27,127,683	(5,000)	(17,990,560)	108,035,526
Capital, lease and subscription assets, being depreciated/amortized:					
Buildings	131,045,819	-	-	3,065	131,048,884
Other improvements	276,163,601	148,341	-	13,760,618	290,072,560
Machinery and equipment	46,481,052	2,265,562	(510,572)	4,226,877	52,462,919
Lease equipment	152,386	-	(9,863)	-	142,523
Subscription assets	586,973	451,159	(47,933)	-	990,199
Total capital, lease and subscription asset, being depreciated/amortized:	454,429,831	2,865,062	(568,368)	17,990,560	474,717,085
Less accumulated depreciation/amortization for:					
Buildings	(46,639,977)	(4,378,821)	-	-	(51,018,798)
Other improvements	(143,360,930)	(6,819,137)	-	-	(150,180,067)
Machinery and equipment	(26,347,282)	(5,319,961)	470,077	-	(31,197,166)
Lease equipment	(84,735)	(42,014)	9,863	-	(116,886)
Subscription assets	(147,378)	(190,536)	47,933	-	(289,981)
Total accumulated depreciation/amortization	(216,580,302)	(16,750,469)	527,873	-	(232,802,898)
Total capital, lease and subscription assets being depreciated/amortized, net	237,849,529	(13,885,407)	(40,495)	17,990,560	241,914,187
Governmental Activities - Net	$ 336,752,932	$ 13,242,276	$ (45,495)	$ -	$ 349,949,713

Business-type Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated/amortized:					
Land	$ 2,579,137	$ -	$ -	$ -	$ 2,579,137
Construction in progress	6,267,462	8,894,726	-	(393,598)	14,768,590
Total capital assets, not being depreciated/amortized:	8,846,599	8,894,726	-	(393,598)	17,347,727
Capital and lease assets, being depreciated/amortized:					
Buildings	3,278,391	-	-	-	3,278,391
Utility plant	153,820,867	-	-	(1,556,070)	152,264,797
Other improvements	11,265,080	-	-	1,696,060	12,961,140
Machinery and equipment	28,867,313	216,236	(13,541)	253,608	29,323,616
Lease equipment	266,653	634,405	(266,654)	-	634,404
Total capital and lease asset, being depreciated/amortized:	197,498,304	850,641	(280,195)	393,598	198,462,348
Less accumulated depreciation/amortization for:					
Buildings	(1,282,001)	(91,554)	-	-	(1,373,555)
Utility plant	(91,803,875)	(3,684,462)	-	-	(95,488,337)
Other improvements	(6,682,096)	(154,760)	-	-	(6,836,856)
Machinery and equipment	(20,887,970)	(1,276,726)	13,541	-	(22,151,155)
Lease equipment	(190,041)	(100,109)	266,654	-	(23,496)
Total accumulated depreciation/amortization	(120,845,983)	(5,307,611)	280,195	-	(125,873,399)
Total capital and lease assets being depreciated/amortized, net	76,652,321	(4,456,970)	-	393,598	72,588,949
Business-type Activities - Net	$ 85,498,920	$ 4,437,756	$ -	$ -	$ 89,936,676

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	**Depreciation/ Amortization Expense**
General government	$ 5,235,458
Public safety	943,416
Culture and recreation	3,033,228
Public works	5,582,237
Facilities and construction	325,264
Fleet services	810,361
Self insurance	656
Information systems	819,849
Total Governmental Activities	$ 16,750,469

Business-type Activities:	**Depreciation/ Amortization Expense**
Utility	$ 4,032,384
Aquatic park	978,952
Golf course	296,275
Total Business-type Activities	$ 5,307,611

Construction Commitments

The City has active construction projects as of September 30, 2024. The projects include street construction, widening, and streetscaping, as well as construction of drainage facilities, parks and park improvements, and municipal facilities. At year-end the City's commitments with contractors were as follows:

	Project Authorization	**Stored and Completed to Date**	**Remaining Commitment**
Streets, drainage, public safety, park improvements, municipal facilities, equipment, and utility improvements	$ 95,940,471	$ 26,501,733	$ 69,438,738

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

	Encumbrances
General Fund	$ 93,257
General Capital Projects	14,530,265
Grants	1,287,783
Nonmajor Governmental Funds	143,861
Utility	2,197,967
Aquatic	842,091
Internal Service Funds	468,166
Total	$ 19,563,390

D. Interfund Receivables, Payables, and Transfers

Current Interfund Balances. At September 30, 2024, the City had current interfund balances as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Aquatic Park (Enterprise Fund)	$ 3,300,607

Interfund balances for the funds are created by short-term deficiencies in cash position in the individual fund. It is anticipated that the balances will be repaid in one year or less.

Long-term Interfund Balances. In fiscal year 2018, the City approved a long-term interfund loan to be paid in future years payable from the Aquatic Park to the Self-Insurance fund. The original amount of the loan was $500,000 and the amount outstanding as of September 30, 2024 was $500,000.

Transfers In/Out amounts for Governmental and Proprietary Funds are as follows:

	Transfers in:							
	General Fund	General Capital Projects	General Debt Service	Parks and Recreation Development	Grants	Non-major Governmental	Internal Service Funds	Total
Transfers out:								
Governmental:								
General Fund	$ -	$ 1,000,000	$ -	$ 487,102	$ 139,509	$ 1,936,182	$ 97,011	$ 3,659,804
Capital Projects	-	-	-	-	-	-	3,044,905	3,044,905
Parks and Recreation Development	469,207	1,466,795	431,505	-	-	174,441	28,000	2,569,948
Non-major Governmental	27,000	713,000	189,213	-	107,130	95,355	-	1,131,698
Subtotal governmental funds	496,207	3,179,795	620,718	487,102	246,639	2,205,978	3,169,916	10,406,355
Proprietary:								
Utility	4,507,469	-	-	-	-	-	209,500	4,716,969
Subtotal enterprise funds	4,507,469	-	-	-	-	-	209,500	4,716,969
Internal service funds	391,050	109,000	225,300	-	-	-	-	725,350
Total	$ 5,394,726	$ 3,288,795	$ 846,018	$ 487,102	$ 246,639	$ 2,205,978	$ 3,379,416	$ 15,848,674

Transfers are used to move resources between funds to provide sufficient resources to perform the expected services and functions for the year.

During fiscal year 2024, the City of North Richland Hills made one-time transfers. These transfers included:

a. General Fund received a total of $5,934,726 from other funds. Parks and Recreation Development fund transferred $469,207 for indirect costs and to cover its portion of a sales tax based economic development incentive. Donations Fund (Non-major Governmental Fund) transferred $27,000 to cover eligible costs incurred by the General Fund. Utility fund transferred $4,507,469 for payment of administrative fees, payment in lieu of tax and franchise fees. Internal Service funds transferred $391,050 to offset debt service impacts associated with capital equipment and vehicle purchases.
b. General Capital Projects fund received $1,000,000 from the General Fund for street and sidewalk maintenance, drainage, information services projects, neighborhood reinvestments and facility construction projects. Parks and Recreation Development fund transferred $1,466,795 for capital projects associated with the Parks system. Drainage Utility fund (Non-major Governmental fund) transferred $700,000 for capital projects and $13,000 was transferred from the Donations fund. Internal service funds transferred $109,000 for capital projects.
c. General Debt Service fund received transfers from self-supporting debt repayment sources. Parks and Recreation Development fund and non-major governmental funds transferred $431,505 and $189,213, respectively. Internal service funds transferred $225,300 for debt repayments during the year.

d. Parks and Recreation Development fund received a transfer for the General Fund's annual contribution for the NRH Recreation Centre operations in the amount of $487,102.
e. Grants fund received $139,509 from the General Fund and $107,130 from Crime Control District fund (Non-major Governmental fund) for local required funding for grants.
f. Non-major Governmental funds received $1,936,182 from the General Fund to establish the PEG Access Fee Fund and the Court Special Revenue Fund, $174,441 from the Parks and Recreation Development fund for economic development projects and $95,355 between the PID Debt Service and PID Capital Projects Funds.
g. Information Technology internal service fund received $97,011 transferred from the General Fund and $175,000 transferred from the Utility fund to help offset non-capital project related costs above normal operations. The Facilities and Construction Services internal service fund also received $34,500 from the Utility fund to help offset non-capital project related costs above normal operations. The Facilities and Construction Services internal service fund, Fleet Services internal service fund, and the Information Technology internal service fund received $490,001, $882,378 and $1,672,526, respectively, from the Capital Projects fund for capital project related costs. In addition, the Facilities and Construction Services internal service fund received $28,000 from the Parks and Recreation Development fund.

E. Long-term debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital assets such as streets, drainage structures, and municipal facilities, as well as for the purpose of refunding a portion of its outstanding debt.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Principal Amount
Governmental activities	2.00 - 5.25%	$ 73,415,000
Business-type activities	2.00 - 5.00%	1,630,000
		$ 75,045,000

Annual debt service requirements to maturity for general obligations bonds are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	$ 6,290,000	$ 2,571,158	$ 395,000	$ 56,775
2026	6,280,000	2,360,294	385,000	43,238
2027	6,100,000	2,134,721	330,000	29,300
2028	6,085,000	1,895,855	295,000	15,675
2029	5,880,000	1,659,646	210,000	5,025
2030-2034	23,155,000	5,299,176	15,000	375
2035-2039	12,545,000	2,354,531	-	-
2040-2044	7,080,000	430,328	-	-
	$ 73,415,000	$ 18,705,709	$ 1,630,000	$ 150,388

Private placement general obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Principal Amount
Governmental activities	2.00 - 5.00%	$ 175,000
Business-type activities	2.00 - 5.00%	60,000
		$ 235,000

Annual debt service requirements to maturity for private placement general obligation bonds are as follows:

Year Ending	Governmental Activities		Business-type Activities	
September 30,	Principal	Interest	Principal	Interest
2025	$ 60,000	$ 3,321	$ 20,000	$ 1,145
2026	60,000	1,947	20,000	687
2027	55,000	630	20,000	229
	$ 175,000	$ 5,898	$ 60,000	$ 2,061

Certificates of Obligation

The City also issues certificates of obligation ("CO's") to finance the acquisition and construction of capital assets including certain capital improvement projects, municipal facilities, and machinery and equipment. The bonds are generally issued as 20-year serial bonds with equal amounts of principal maturing each year.

Certificates of Obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Principal Amount
Governmental activities	1.25 - 5.00%	$ 28,560,000
Business-type activities	1.25 - 5.00%	25,150,000
		$ 53,710,000

Annual debt service requirements to maturity for certificates of obligation of the primary government are as follows:

Year Ending	Governmental Activities		Business-type Activities	
September 30,	Principal	Interest	Principal	Interest
2025	$ 4,075,000	$ 1,113,689	$ 1,825,000	$ 936,073
2026	3,725,000	950,233	1,820,000	865,032
2027	3,435,000	797,380	1,820,000	792,242
2028	2,725,000	660,380	1,820,000	717,608
2029	2,295,000	547,530	1,820,000	644,824
2030-2034	10,215,000	1,372,280	8,180,000	2,243,664
2035-2039	1,990,000	119,206	6,155,000	892,344
2040-2044	100,000	1,000	1,710,000	108,494
	$ 28,560,000	$ 5,561,698	$ 25,150,000	$ 7,200,281

Private placement certificates of obligation currently outstanding are as follows:

Purpose	Interest Rates	Principal Amount
Governmental activities	N/A	$ -
Business-type activities	1.57%	695,000
		$ 695,000

Annual debt service requirements to maturity for private placement certificates of obligation bonds are as follows:

Year Ending	Governmental Activities		Business-type Activities	
September 30,	Principal	Interest	Principal	Interest
2025	$ -	$ -	$ 60,000	$ 10,441
2026	-	-	60,000	9,499
2027	-	-	60,000	8,557
2028	-	-	60,000	7,615
2029	-	-	60,000	6,673
2030-2034	-	-	285,000	19,586
2035-2039	-	-	110,000	1,727
	$ -	$ -	$ 695,000	$ 64,098

Special Assessment Bonds – City Point Improvement District (TIF #3)

The City has issued Special Assessment Revenue Bonds, Series 2019 (City Point Public Improvement District Improvement Zone A Project) in the amount of $2,615,000 and Special Assessment Revenue Bonds, Series 2019 (City Point Public Improvement District Improvement Zone B Project) in the amount of $8,965,000. The City Point Public Improvement District (the "District" was created for the purpose of undertaking and financing certain public improvements within the district as authorized by the PID Act and approved by the City Council. The City will pay the project costs for the improvement within Zone A and Zone B from proceeds of the corresponding bonds.

Special assessment bonds currently outstanding are as follows:

Purpose	Interest Rates	Principal Amount
Governmental activities	4.50 - 5.63%	$ 7,680,000

Annual debt service requirements to maturity for special assessment bonds are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2025	$ 195,000	$ 409,813
2026	205,000	400,719
2027	215,000	390,369
2028	230,000	379,513
2029	240,000	367,906
2030-2034	1,370,000	1,641,944
2035-2039	1,825,000	1,224,475
2040-2044	1,435,000	743,394
2045-2049	1,590,000	366,575
2050	375,000	20,156
	$ 7,680,000	$ 5,944,864

Lease Liabilities

The City leases property and equipment from various third parties to conduct its operations, the terms of which expire 2025 through 2029. The measurement of the lease payables is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

As of September 30, 2024, the value of the lease liabilities was $28,221 for governmental activities and $612,894 for business-type activities. Incremental borrowing rates of 0.9160 percent to 3.1570 percent were used to measure lease liabilities. The value of the right-to-use assets as of the end of the current fiscal year was $142,523 for governmental activities and $634,404 for business-type activities and had accumulated amortization of $116,886 for governmental activities and $23,496 business-type activities.

Purpose	Interest Rates	Principal Amount
Governmental activities	0.9160% - 1.3884%	$ 28,221
Business-type activities	0.9160% - 3.1570%	612,894
		$ 641,115

The future principal and interest payments for lease liabilities as of September 30, 2024, are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	28,221	113	125,137	44,339
2026	-	-	133,012	34,177
2027	-	-	144,037	23,152
2028	-	-	155,977	11,212
2029	-	-	54,731	998
	$ 28,221	$ 113	$ 612,894	$ 113,878

Subscription Liabilities

The City has subscription IT arrangements to conduct its operations, the terms of which expire 2025 through 2029. The measurement of the subscription liabilities is based on the present value of subscription payments expected to be paid during the subscription term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any subscription incentives payable.

As of September 30, 2024, the value of the subscription liabilities was $661,767. An incremental borrowing rate of 3.1440 percent to 3.3050 percent was used to measure subscription liabilities. The value of the right-to-use subscription assets as of September 30, 2024, was $990,199 and had accumulated amortization of $289,981 .

The future principal and interest payments for subscription liabilities as of September 30, 2024, are as follows:

Year Ending	Governmental Activities	
September 30,	Principal	Interest
2025	$ 239,919	$ 19,246
2026	231,504	11,596
2027	103,115	4,329
2028	49,256	2,044
2029	37,973	501
	$ 661,767	$ 37,716

Long-term liability activity for the year ended September 30, 2024, is reflected in the following tables.

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	$ 74,190,000	$ 5,815,000	$ (6,590,000)	$ 73,415,000	$ 6,290,000
General obligation bonds- Private placement	235,000	-	(60,000)	175,000	60,000
Certificates of obligation	32,870,000	-	(4,310,000)	28,560,000	4,075,000
Special assessment bonds	7,870,000	-	(190,000)	7,680,000	195,000
Lease liabilities	72,047	-	(43,826)	28,221	28,221
Subscription liabilities	377,838	451,159	(167,230)	661,767	239,919
Premium on bond issues	7,419,997	80,000	(690,000)	6,809,997	-
Arbitrage liability	631,191	1,431,574	-	2,062,765	-
Compensated absences	4,595,323	1,843,698	(1,599,515)	4,839,506	647,717
Total Governmental Activities	$ 128,261,396	9,621,431	(13,650,571)	124,232,256	11,535,857
Business-type Activities:					
Bonds payable:					
General obligation bonds	$ 2,025,000	$ -	$ (395,000)	$ 1,630,000	$ 395,000
General obligation bonds- Private placement	80,000	-	(20,000)	60,000	20,000
Certificates of obligation	27,035,000	-	(1,885,000)	25,150,000	1,825,000
Certificates of obligation - Private placecment	755,000	-	(60,000)	695,000	60,000
Leases	82,625	634,405	(104,136)	612,894	125,137
Premium on bond issues	1,145,917	-	(84,157)	1,061,760	-
Arbitrage liability	133,128	160,744	-	293,872	-
Compensated absences	582,160	119,780	(249,704)	452,236	59,790
Total Business-type Activities	$ 31,838,830	$ 914,929	$ (2,797,997)	$ 29,955,762	$ 2,484,927

The liability for compensated absences and the pension and OPEB-related liabilities are paid from the General Fund, Special Revenue Funds (Drainage, Crime Control District, and Parks and Recreation Development), enterprise funds, and internal service funds based on the assignment of an employee at termination.

Current Year Debt Issuances

In October 2023, the City issued Series 2023A General Obligation Bonds in the amount of $5,815,000. The bonds were issued at a premium of $80,000 and mature in fiscal year 2043 with interest rates ranging from 4.00% to 5.25%. The proceeds of the sale will be used for (i) constructing, renovating, equipping, and improving various City streets, roads, and intersections, and related curb, gutter, sidewalk, trail, drainage and utility infrastructure improvements, and the acquisition of land, easements, rights-of-way, and other real property interests necessary therefor or incidental thereto, and (ii) professional services rendered in relation to such projects and the financing thereof.

Note III - Other Information

A. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. While the City has historically retained a portion of these risks, coverage exists for: general, employment practice, law enforcement, and errors and omissions liability; excess workers' compensation; property damage; commercial crime coverage; and employee life insurance. Premiums are paid into the self-insurance internal service fund by all other participating funds and are available to pay claims, claim reserves, and administrative costs of the program.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for health and dental as well as workers' compensation claims that have been incurred but not reported ("IBNR"). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. An excess coverage medical insurance policy covers individual claims in excess of $150,000 and/or $9,041,515 in the aggregate for a 12-month period beginning on January 1, 2024. Changes in the balances of claims liabilities during the past two years are as follows:

	2024	2023
Unpaid claims, beginning of year	$ 738,000	$ 920,045
Incurred claims (including IBNR)	16,618,434	11,905,933
Claim payments	(16,607,434)	(12,087,978)
Unpaid claims, end of year	$ 749,000	$ 738,000

B. Contingent Liabilities

The City is party to several legal actions arising in the ordinary course of business. In the opinion of the City's legal counsel and management, the City has adequate legal defense and/or insurance coverage regarding each of these actions and is not aware of any pending litigation with a material impact.

C. Deferred Compensation Plan - 457(b) Plan

The City offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan is administered by Public Agency Retirement System. In 1998, the City implemented the requirements of GASB No. 32, *Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. In accordance with this statement and tax law, the City has amended its trust agreements which establish that all assets and income of the trust are for the exclusive benefit of eligible employees and their beneficiaries. Due to the implementation of these changes, the City does not have any fiduciary responsibility or administrative duties relating to the deferred compensation plan other than remitting employees' contributions to the trustees. Accordingly, the City has not presented the assets and liabilities of the Plan in these basic financial statements.

D. Defined Benefit Pension Plan

Plan Description

The City of North Richland Hills participates as one of over 930 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

Benefits depend upon the sum of the employees' contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% and 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit. An updated service credit is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years. The plan provisions are adopted by the City Council, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, or 5 years at a 60 and above
Updated service credit	100% repeating, transfers
Annuity increase to retirees	70% of CPI, repeating

Employees Covered by Benefit Terms

At the December 31, 2023, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefts	472
Inactive employees entitled to but not yet receiving benefits	386
Active employees	554
	1,412

Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the City matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 17.19% and 17.91% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024 were $8,173,351, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investment was determined by best estimate ranges of expected returns for each major asset class. These long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of the expected return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equities	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Other Public and Private Markets	12.0%	8.00%
Real Estate	12.0%	7.60%
Hedge Funds	5.0%	6.40%
Private Equity	10.0%	11.60%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Basis of Allocation

Pension items are allocated between governmental activities and business-type activities on the basis of employee payroll funding. For the year ended September 30, 2024, those percentages were 83% and 17%, respectively, which approximated the prior year's allocations.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at October 1,2023	$ 318,564,436	$ 273,020,320	$ 45,544,116
Changes for the year:			
Service cost	8,103,049	-	8,103,049
Interest	21,291,104	-	21,291,104
Difference between expected and actual experience	2,502,664	-	2,502,664
Change in assumptions	(1,788,046)	-	(1,788,046)
Contributions - employer	-	7,537,419	(7,537,419)
Contributions - employee	-	3,069,337	(3,069,337)
Net investment income	-	31,577,919	(31,577,919)
Benefits payments, including refunds of employee contributions	(14,384,381)	(14,384,381)	-
Administrative expense	-	(201,026)	201,026
Other changes	-	(1,405)	1,405
Net changes	15,724,390	27,597,863	(11,873,473)
Balance at September 30, 2024	$ 334,288,826	$ 300,618,183	$ 33,670,643

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Net Pension Liability (Asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's Net Pension Liability (Asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75)%	Discount Rate (6.75)%	1% Increase in Discount Rate (7.75)%
City's Net Pension Liability (Asset)	$ 79,524,799	$ 33,670,643	$ (4,106,852)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024, the City recognized pension expense of $7,781,589.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 7,472,252	$ -
Difference in assumption changes	-	1,354,054
Difference between expected and actual experience	3,969,283	7,473
Contributions subsequent to the measurement date	6,340,211	-
	$ 17,781,746	$ 1,361,527

$6,340,211 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Amount
2025	$ 3,381,646
2026	3,299,715
2027	6,007,640
2028	(2,608,993)
	$ 10,080,008

E. Other Postemployment Benefit (OPEB) Plan

Plan Description

The City offers retired employees and their dependents the option to retain health and dental insurance coverage under the City's plan through a single employer defined benefit OPEB plan administered by the City of North Richland Hills Post-Retirement Health Care Plan Trust. Public Agency Retirement Services (PARS) is the Trust Administrator. The governing body of the Trust is composed of a coalition of member public agencies. Each member public agency appoints its individual plan administrator to serve as a member of the governing body. Certain provisions of the Trust may be changed by a two-thirds vote of the members of the governing body. The City does not have a stand-alone financial report for the retiree health plan. A more detailed description of the plan is as follows:

Eligibility

Full-time employees of the City who meet the City's requirements are eligible to participate in the retiree health care plan. Upon terminating from active service, employees must have separated in "good standing", be eligible to retire under the Texas Municipal Retirement System (age 60 with 5 years of service or 20 years of service at any age) with the declared intent to begin to receive an annuity check from TMRS, and must have been covered under the City's health plan on the retiree's last day of active employment. Reduced premium rates for medical and dental coverage are offered to eligible retirees that have attained age 55 at retirement and meet one of the following plan rules:

Plan Rule	Multiplier
90 Plan	1.00
85 Plan	1.25
80 Plan	1.50
Access Plan	1.75

To be eligible for the 90 Plan, 85 Plan or 80 Plan, retirees must have attained the applicable combined number of years of service plus age at time of retirement. To be eligible for the Access Plan, retirees must have attained age 60 with at least 10 years of service. Service requirements are based on continuous service with the City of North Richland Hills.

Benefits Provided

Pre-65 medical premiums for 90 Plan retirees will be set to 20% of the total cost. Dental premiums for 90 Plan retirees are also reduced. For retirees that meet one of the other Plan Rules, applicable multiplier is applied to the premium rates for 90 Plan retirees. Medical coverage through the City's pre-65 health plan ceases when retirees/spouses become eligible for Medicare benefits. Vision benefits are available to retirees through a fully insured plan in which retirees pay 100% of the vision premiums. The City does not provide life insurance coverage for retirees or their dependents.

A measurement date of December 31, 2023, was used for the September 30, 2024, liability and expense. The information that follows was determined as of a valuation date of December 31, 2023:

Retirees and beneficiaries	182
Inactive, nonretired members	-
Active members	553
Total	735

The contribution requirements of plan members and the City are established and may be amended by the City Council members. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund. For measurement year ended December 31, 2023, the City's contributions to the plan were $1,528,447, which consist entirely of benefit payments.

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023.

Actuarial Assumptions

The total OPEB liability in the actuarial valuation was based on an actuarial valuation performed as of December 31, 2023. The following are the significant actuarial methods and assumptions:

Actuarial Valuation Date:	December 31, 2023
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry-Age Normal
Single Discount Rate	4.15% as of December 31, 2023 (4.37% in prior year)
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2022 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years.
Participation Rates	85% for retirees meeting eligibility requirements for the 90 Plan; 75% for retirees meeting eligibility requirements for the 85 Plan; 60% for retirees meeting eligibility requirements for the 80 Plan; 60% for retirees meeting eligibility requirements for the Access Plan; 0% for retirees who are not eligible for any of the Plan Rules.
Notes:	The Single Discount Rate changed from 4.37% as of December 31, 2022 to 4.15% as of December 31, 2023. Additionally, the demographic and salary increase assumptions were updated to reflect the 2023 TMRS Experience Study and the health care trend rates were updated to reflect the plan's anticipated experience.

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.00%; the municipal bond rate is 3.77% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 4.15%.

Basis of Allocation

OPEB items are allocated between governmental activities and business-type activities on the basis of employee payroll funding. For the year ended September 30, 2024, those percentages were 90% and 10%, respectively, which approximated the prior year's allocations.

Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at December 31, 2022	$ 32,050,525	$ 2,635,240	$ 29,415,285
Service cost	1,120,666	-	1,120,666
Interest	1,391,698	-	1,391,698
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(6,732,068)	-	(6,732,068)
Changes of assumptions	1,242,637	-	1,242,637
Contributions - employer	-	1,528,447	(1,528,447)
Net investment income	-	369,756	(369,756)
Benefit payments, including refunds of employee contributions	(1,528,447)	(1,528,447)	-
Administrative expense	-	(16,162)	16,162
Net changes	(4,505,514)	353,594	(4,859,108)
Balance at December 31, 2023	$ 27,545,011	$ 2,988,834	$ 24,556,177

Changes of assumptions reflect a change in the Single Discount Rate from 4.37% as of December 31, 2022 to 4.15% as of December 31, 2023, revised TMRS demographic and salary increase assumptions, and updates to the health care trend assumption to better reflect the plan's anticipated experience.

Consistent with the requirements of GASB Statements No. 74 and No. 75, employer contributions include "amounts for OPEB as the benefits come due that will not be reimbursed to the employer using OPEB plan assets." The employer contributions of $1,528,447 consist entirely of benefit payments, which were paid by the City using its own assets.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following schedule presents the net OPEB liability of the City, calculated using the discount rate of 4.15%, as well as what the City's net OPEB liability would be if it were calculate using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease in Discount Rate (3.15)%	Discount Rate (4.15)%	1% Increase in Discount Rate (5.15)%
City's Net OPEB Liability	$ 27,312,855	$ 24,556,177	$ 22,154,375

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate, as well as what the City's net OPEB liability would be if it were calculate using a trend rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City's Net OPEB Liability	$ 21,772,110	$ 24,556,177	$ 27,895,875

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB's plan Fiduciary Net Position is available in the basic financial statements section of the City of North Richland Hills Annual Comprehensive Financial Report for the year-ended September 30, 2024. The plan's Fiduciary Net Position as a percentage of Total OPEB Liability was 10.85% at September 30, 2024.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized an OPEB expense (revenue) of $(955,876).

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in assumption changes	$ 2,778,469	$ 5,071,487
Difference between expected and actual experience	135,302	13,247,822
Contributions subsequent to the measurement date	1,267,868	-
	$ 4,181,639	$ 18,319,309

$1,267,868 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended September 30,	Amount
2025	$ (3,320,775)
2026	(3,239,297)
2027	(2,630,253)
2028	(2,102,436)
2029	(2,112,538)
Thereafter	(2,000,239)
	$ (15,405,538)

F. Tax Incentive Rebates

The City of North Richland Hills currently has one (1) active Commercial Development and Job-Related Incentive Rebates that develop or redevelop a particular property attracting business that generates incremental tax revenues. The agreement is subject to Chapter 380 of the Texas Local Government Code that promotes local economic development, commercial activity and business stimulation. City Council approves the agreements via resolution. As part of the agreement, the City agrees to rebate the ad valorem tax increment and the local sales tax after confirmation of payment. If the businesses do not meet the obligations as set forth in the agreement, a claw-back provision for default on agreement is included in the agreement and agrees to return a percentage of the rebate back to the City. Total rebate of taxes for fiscal year 2024 was $247,408.

H. Subsequent Events

In December 2024, the City issued $5,105,000 of Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2025. Proceeds from the sale of the bonds will be used for (i) designing, constructing, improving, and equipping park and recreation facilities that are generally accessible to the public and that are part of the City park system, and (ii) professional services rendered in relation to such projects and the financing thereof.

Required Supplementary Information

NORTH RICHLAND HILLS
NRH
1953
TEXAS

CITY OF NORTH RICHLAND HILLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

For the Last Ten Measurement Years

	Measurement Year December 31,									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total Pension Liability										
Service cost	$ 8,103,049	$ 7,471,479	$ 7,090,461	$ 6,818,264	$ 6,689,567	$ 6,406,497	$ 6,191,617	$ 5,991,326	$ 5,732,122	$ 5,572,383
Interest (on the total pension liability)	21,291,104	20,215,755	19,044,318	18,175,404	17,239,979	16,482,949	15,687,433	14,990,680	14,861,355	14,176,755
Difference between expected and actual experience	2,502,664	1,618,053	3,813,382	(58,137)	767,788	(455,398)	523,226	(1,803,452)	(1,819,900)	(1,880,743)
Change of assumptions	(1,788,046)	-	-	-	409,737	-	-	-	(452,493)	-
Benefit payments, including refunds of employee contributions	(14,384,381)	(12,995,547)	(12,572,548)	(11,825,125)	(10,801,408)	(11,919,243)	(9,529,337)	(8,383,529)	(8,959,709)	(7,376,810)
Net Change in Total Pension Liability	15,724,390	16,309,740	17,375,613	13,110,406	14,305,663	10,514,805	12,872,939	10,795,025	9,361,375	10,491,585
Total Pension Liability - Beginning	318,564,436	302,254,696	284,879,083	271,768,677	257,463,014	246,948,209	234,075,270	223,280,245	213,918,870	203,427,285
Total Pension Liability - Ending (a)	$ 334,288,826	$ 318,564,436	$ 302,254,696	$ 284,879,083	$ 271,768,677	$ 257,463,014	$ 246,948,209	$ 234,075,270	$ 223,280,245	$ 213,918,870
Plan Fiduciary Net Position										
Contributions - employer	$ 7,537,419	$ 6,841,395	$ 6,517,324	$ 6,081,331	$ 6,008,691	$ 5,737,359	$ 5,623,410	$ 5,409,161	$ 5,468,306	$ 5,636,415
Contributions - employee	3,069,337	2,848,888	2,710,717	2,605,232	2,604,392	2,491,416	2,410,529	2,328,666	2,280,541	2,236,673
Net investment income	31,577,919	(21,744,788)	34,769,354	19,045,720	33,921,847	(6,894,711)	28,219,967	12,939,363	284,162	10,400,524
Benefit payments, including refunds of employee contributions	(14,384,381)	(12,995,547)	(12,572,548)	(11,825,125)	(10,801,408)	(11,919,243)	(9,529,337)	(8,383,529)	(8,959,709)	(7,376,810)
Administrative expense	(201,026)	(188,258)	(160,913)	(123,279)	(191,704)	(133,257)	(146,245)	(146,139)	(173,081)	(108,580)
Other	(1,405)	224,648	1,102	(4,810)	(5,759)	(6,962)	(7,411)	(7,874)	(8,547)	(8,929)
Net Change in Plan Fiduciary Net Position	27,597,863	(25,013,662)	31,265,036	15,779,069	31,536,059	(10,725,398)	26,570,913	12,139,648	(1,108,328)	10,779,293
Plan Fiduciary Net Position - Beginning	273,020,320	298,033,982	266,768,946	250,989,877	219,453,818	230,179,216	203,608,303	191,468,655	192,576,983	181,797,690
Plan Fiduciary Net Position - Ending (b)	$ 300,618,183	$ 273,020,320	$ 298,033,982	$ 266,768,946	$ 250,989,877	$ 219,453,818	$ 230,179,216	$ 203,608,303	$ 191,468,655	$ 192,576,983
Net Pension Liability - Ending (a) - (b)	$ 33,670,643	$ 45,544,116	$ 4,220,714	$ 18,110,137	$ 20,778,800	$ 38,009,196	$ 16,768,993	$ 30,466,967	$ 31,811,590	$ 21,341,887
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.93%	85.70%	98.60%	93.64%	92.35%	85.24%	93.21%	86.98%	85.75%	90.02%
Covered Payroll	$ 43,847,667	$ 40,672,177	$ 38,724,529	$ 37,217,597	$ 37,205,542	$ 35,591,651	$ 34,436,087	$ 33,266,663	$ 32,568,873	$ 31,952,469
Net Pension Liability as a Percentage of Covered Payroll	76.79%	111.98%	10.90%	48.66%	55.85%	106.79%	48.70%	91.58%	97.67%	66.79%

Other Information:

For the 2015 valuation, inflation used was 2.5%, investment rate of return and discount rate used was 6.75% and actuarial studies were updated through December 31, 2014.

For the 2019 valuation, actuarial studies were updated through December 31, 2018.

For the 2023 valuation, actuarial studies were updated through December 31, 2022.

CITY OF NORTH RICHLAND HILLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM PLAN
SCHEDULE OF PENSION CONTRIBUTIONS
For the Last Ten Fiscal Years

	Fiscal Year									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Actuarially determined contribution	$ 8,173,351	$ 7,447,454	$ 6,677,664	$ 6,384,064	$ 6,318,501	$ 5,905,942	$ 5,727,471	$ 5,559,812	$ 5,417,111	$ 5,528,987
Contributions in relation to the actuarially determined contribution	8,173,351	7,447,454	6,677,664	6,384,064	6,318,501	5,905,942	5,727,471	5,559,812	5,417,111	5,528,987
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 46,064,389	$ 43,553,577	$ 39,820,111	$ 38,194,320	$ 38,791,732	$ 36,587,770	$ 35,403,126	$ 34,086,933	$ 33,017,098	$ 32,471,592
Contributions as a percentage of covered payroll	17.74%	17.10%	16.77%	16.71%	16.29%	16.14%	16.18%	16.31%	16.41%	17.03%

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 Years (longest amortization ladder)
Asset Valuation Method	10 Year Smoothed Market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age and are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multipled by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB (10) mortality tables, with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. The rates are projected on fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

There were no benefit changes during the year.

CITY OF NORTH RICHLAND HILLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
NORTH RICHLAND HILLS RETIRED EMPLOYEES HEALTHCARE PLAN
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
For the Last Seven Measurement Years

	Measurement Year December 31,						
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Total OPEB Liability							
Service cost	$ 1,120,666	$ 1,313,361	$ 1,346,438	$ 1,181,994	$ 1,415,009	$ 1,380,982	$ 3,033,865
Interest on the total OPEB liability	1,391,698	878,432	1,012,300	1,175,886	1,748,613	1,612,101	2,939,073
Changes of benefit terms	-	2,619,863	-	-	-	-	(36,006,639.00)
Difference between expected and actual experience	(6,732,068)	(1,131,561)	(4,824,354)	(739,254)	(9,119,458)	(424,223)	-
Change of assumptions	1,242,637	(6,402,288)	602,574	2,282,881	471,134	(1,473,549)	678,308
Benefit payments	(1,528,447)	(849,944)	(956,992)	(1,435,968)	(1,377,599)	(2,036,450)	(2,192,748)
Net Change in Total OPEB Liability	(4,505,514)	(3,572,137)	(2,820,034)	2,465,539	(6,862,301)	(941,139)	(31,548,141)
Total OPEB Liability - Beginning	32,050,525	35,622,662	38,442,696	35,977,157	42,839,458	43,780,597	75,328,738
Total OPEB Liability - Ending (a)	$ 27,545,011	$ 32,050,525	$ 35,622,662	$ 38,442,696	$ 35,977,157	$ 42,839,458	$ 43,780,597
Plan Fiduciary Net Position							
Contributions - employer	$ 1,528,447	$ 949,944	$ 1,056,992	$ 1,535,968	$ 1,477,599	$ 2,136,450	$ 2,292,748
Net investment income	369,756	(436,311)	249,744	310,555	333,159	(79,800)	212,194
Benefit payments	(1,528,447)	(849,944)	(956,992)	(1,435,968)	(1,377,599)	(2,036,450)	(2,192,748)
Administrative expense	(16,162)	(15,956)	(16,855)	(13,443)	(11,962)	(10,939)	(8,770)
Net Change in Plan Fiduciary Net Position	353,594	(352,267)	332,889	397,112	421,197	9,261	303,424
Plan Fiduciary Net Position - Beginning	2,635,240	2,987,507	2,654,618	2,257,506	1,836,309	1,827,048	1,523,624
Plan Fiduciary Net Position - Ending (b)	$ 2,988,834	$ 2,635,240	$ 2,987,507	$ 2,654,618	$ 2,257,506	$ 1,836,309	$ 1,827,048
Net OPEB Liability - Ending (a) - (b)	$ 24,556,177	$ 29,415,285	$ 32,635,155	$ 35,788,078	$ 33,719,651	$ 41,003,149	$ 41,953,549
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	10.85%	8.22%	8.39%	6.91%	6.27%	4.29%	4.17%
Covered Payroll	$ 43,847,667	$ 40,672,177	$ 38,724,529	$ 37,217,597	$ 37,205,602	$ 34,555,433	$ 33,455,733
Net OPEB Liability as a Percentage of Covered Payroll	56.00%	72.32%	84.28%	96.16%	90.63%	118.66%	125.40%

Changes of assumptions reflect a change in the Single Discount Rate each period. The following are the discount rates used in each of the periods:

2023	4.15%
2022	4.37%
2021	2.45%
2020	2.62%
2019	3.28%
2018	4.08%
2017	3.71%

The demographic assumptions were updated to reflect the 2023 TMRS Experience Study, and the health care trend rates were updated to better reflect the plan's anticipated experience.

Changes of benefit terms reflect an expansion of the definition of years of service as it pertains to eligibility for benefits.
The long-term expected rate of investment return was lowered from 6.25% to 6.00% in plan year 2021.

The demographic assumptions were updated to reflect the 2019 TMRS Experience Study, and the health care trend rates were updated to better reflect the plan's anticipated experience and the repeal of the "Cadillac Tax."

Consistent with the requirements of GASB Statement No. 74, the employer contributions include “amounts for OPEB as the benefits come due that will not be reimbursed to the employer using OPEB plan assets.” The employer contributions shown above were exlcusively benefit payments, which were paid by the City using its own assets.

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 45,914,658	$ 44,118,881	$ 42,653,709	$ (1,465,172)
Fines and forfeitures	1,226,816	1,087,970	1,246,624	158,654
Licenses and permits	1,832,053	2,685,574	2,582,338	(103,236)
Charges for services	3,016,965	3,626,939	7,071,695	3,444,756
Intergovernmental	5,500,923	5,502,575	3,145,716	(2,356,859)
Miscellaneous	2,566,092	2,931,931	3,465,918	533,987
Total Revenues	60,057,507	59,953,870	60,166,000	212,130
Expenditures				
City council	134,472	122,529	94,397	28,132
City manager	896,480	889,988	872,159	17,829
Communications	498,092	488,722	485,209	3,513
City secretary	646,346	750,883	715,873	35,010
Legal	708,068	704,760	657,823	46,937
Human resources	165,604	164,023	150,848	13,175
Finance	880,779	867,139	849,195	17,944
Budget and research	508,378	509,282	480,515	28,767
Municipal court	1,541,440	1,537,969	1,499,625	38,344
Development services	1,544,576	1,522,193	1,465,339	56,854
Economic development	396,153	391,315	398,039	(6,724)
Library	2,563,061	2,530,774	2,428,244	102,530
Neighborhood services	2,429,905	2,397,229	2,384,250	12,979
Public works	3,614,455	3,658,698	3,487,972	170,726
Parks and recreation	2,053,265	2,049,271	1,993,597	55,674
Police	18,437,343	18,298,210	17,983,783	314,427
Fire	16,820,899	17,031,243	16,698,955	332,288
Facilities and construction management	899,730	899,730	899,730	-
Non-departmental	4,053,250	3,856,729	3,690,688	166,041
Sub-total departments	58,792,296	58,670,687	57,236,241	1,434,446
Other & Reserves				
Capital project transfers	1,116,293	1,000,000	1,000,000	-
Operational transfers	132,067	132,067	132,067	-
Planned contributions to fund balance	16,851	151,116	-	(151,116)
Sub-total other & reserves	1,265,211	1,283,183	1,132,067	(151,116)
Total Expenditures	60,057,507	59,953,870	58,368,308	1,283,330
Net Increase	$ -	$ -	1,797,692	$ 1,797,692
Reconciliation between budgetary basis actual and GAAP				
Miscellaneous			(2,270,081)	
Capital outlay			333,284	
Debt service principal payments			46,475	
Net change in fund balance - GAAP			$ (92,630)	

CITY OF NORTH RICHLAND HILLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

BUDGET (NON-GAAP BASIS) AND ACTUAL - PARKS AND RECREATION DEVELOPMENT CORPORATION FUND

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales Tax	$ 7,038,000	$ 7,012,895	$ 6,995,252	$ (17,643)
NRH Centre	3,835,469	3,889,248	3,877,415	(11,833)
Tennis Center	491,725	604,500	570,813	(33,687)
Athletic program service	183,400	140,000	147,002	7,002
Park impact fee	75,000	75,000	32,841	(42,159)
Youth association maintenance fees	16,300	16,300	28,778	12,478
Other Income	111,700	320,439	588,157	267,718
Appropriation of fund balance	369,592	391,682	-	(391,682)
Total Revenues	12,121,186	12,450,064	12,240,258	(209,806)
Expenses:				
Operating:				
Park facilities development administration	736,144	727,350	761,865	(34,515)
Maintenance and operations	2,302,646	2,338,620	2,224,041	114,579
NRH Centre	3,667,315	3,715,973	3,701,973	14,000
Tennis center operations	608,477	700,127	674,376	25,751
Athletic program services	240,205	171,514	159,499	12,015
Non-departmental	128,107	124,102	(381,849)	505,951
Sub-total operating	7,682,894	7,777,686	7,139,905	637,781
Other & Reserves:				
Debt service payment	431,505	431,505	431,505	-
Capital project transfers	1,468,000	1,494,795	1,478,599	16,196
Indirect cost and economic development transfers	727,199	726,571	1,150,051	(423,480)
Planned contributions to fund balance	1,811,588	2,019,507	-	2,019,507
Sub-total other & reserves	4,438,292	4,672,378	3,060,155	1,612,223
Total Expenditures	12,121,186	12,450,064	10,200,060	2,250,004
Net Increase	$ -	$ -	2,040,198	$ 2,040,198
Net change in fund balance - GAAP			$ 2,040,198	

CITY OF NORTH RICHLAND HILLS, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2024

Note A - Budgetary Information

Prior to the beginning of the fiscal year, the City Council adopts an annual budget which covers the Governmental, Enterprise, and Internal Service Funds. All appropriations lapse at fiscal year-end (September 30th) with the exception of capital projects which carry forward to completion of the project. The budgets for Governmental Funds are prepared on the budget basis, which differs from the modified accrual basis of accounting. Enterprise and Internal Service Funds are prepared on the budget basis and differ from the accounting basis by recognizing debt principal payments, capital outlays as expenditures, and compensated absences as payments come due. Additionally, depreciation is not included as a budgetary expense. The City Manager will submit the proposed budget to City Council in late summer (July or August) and prior to adoption will hold the required public hearings for the proposed budget and proposed tax rate. After the public hearings are held, the City Council will adopt a budget and tax rate through ordinance. The proposed budget becomes effective on October 1st of that calendar year and runs through September 30th of the following calendar year.

The adopted budget is prepared by fund, department, and division. The City Manager is authorized to make inter- departmental and inter-fund transfers during the fiscal year as deemed necessary to avoid over-expenditure of accounts. After the budget is adopted, the City Manager is not allowed to authorize any expenditure that exceeds total funds in the overall budget without amending the budget through City Council action. A summary of changes in the adopted operating budget follows.

Note A - Budgetary Information (continued)

Legally Adopted Fund	Original	Final	Increase (Decrease)	Explanation
General Fund	$ 60,057,507	$ 59,953,870	$ (103,637)	Health insurance allocation was reduced $711,418. Fire department expenses increased $210,344 to cover equipment purchases approved by City Council in the previous fiscal year. Other smaller adjustments make up the remainder.
General Debt Service	15,166,310	15,166,310	-	No changes.
Parks and Recreation	12,121,186	12,450,064	328,878	The planned contribution to fund balance increased by $207,919 while Tennis Center operational expenses increaed by $91,650. Other smaller adjustments make up the remainder.
Promotional	398,416	392,315	(6,101)	Economic Development expenses decreased $50,391 due to the delayed opening of a hotel, postponing incentive payments. The planned contribution to fund balance increased $46,684. Other smaller adjustments make up the remainder.
Donations	212,611	310,850	98,239	Parks and Recreation expenses increased $44,239 primarily for the senior center. Neighborhood Services expenses increased $27,000 to support the Neighborhood Initative Program. Other smaller adjustments make up the remainder.
Special Investigations	275,900	276,993	1,093	Various line-item changes under $10,000 each.
Drainage Utility Fund	1,769,450	1,844,525	75,075	The planned contribution to fund balance increased $80,839. Other smaller adjustments make up the remainder.
Crime Control District	7,712,090	7,787,138	75,048	Property Evidence and Community Resources divisional expenses increased by $55,534 and $32,479 respectively to fund uniform and firearm purchases. Other smaller adjustments make up the remainder.
Traffic Safety	139,932	147,005	7,073	Various line-item changes under $10,000 each.
Economic Development	194,950	211,379	16,429	Various line-item changes under $10,000 each.
Gas Development	640,700	474,235	(166,465)	The planned contribution to fund balance decreased $166,465 due to lower than anticipated revenues.

Note A - Budgetary Information (continued)

Legally Adopted Fund	Original	Final	Increase (Decrease)	Explanation
PEG Access Fee	$ 130,000	$ 152,140	$ 22,140	The planned contribution to fund balance increased $37,025. Other smaller adjustments make up the remainder.
Court Special Revenue	274,307	259,665	(14,642)	The planned contribution to fund balance decreased $10,800. Other smaller adjustments make up the remainder.
TIF 3 Debt Service	46,450	46,450	-	No changes.
Utility	42,827,135	44,549,918	1,722,783	The planned contribution to fund balance increased $1,631,495 due to stable expenses and higher than anticipated revenue. Other smaller changes make up the remainder.
Aquatic Park	6,155,626	5,720,094	(435,532)	$160,570 decrease in General Services & Utilities due to lower electricity costs and reduced credit card fees resulting from lower attendance. Other smaller adjustments make up the remainder.
Golf	3,383,193	3,383,193	-	No changes.
Facilities and Construction	3,534,244	3,637,300	103,056	Electricity and natural gas expenses increased $108,510. Other smaller adjustments make up the remainder.
Fleet Services	4,632,243	6,275,329	1,643,086	City-wide and public safety vehicle purchase expenses increased $1,375,898 in order to pre-purchase equipment and mitigate manufacturer delays. Other smaller adjustments make up the remainder.
Self-Insurance	14,474,121	14,494,536	20,415	Various line-item changes under $10,000 each.
Information Technology	5,093,638	5,797,517	703,879	Public Safety division expenses increased $468,596 in order to cover equipment purchases approved by City Council in the previous fiscal year. Other smaller adjustments make up the remainder.
Total	$ 179,240,009	$ 183,330,826	$ 4,090,817	

Other Supplementary Information

NORTH RICHLAND HILLS
NRH
1953
TEXAS

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Promotional Fund accounts for the operations and expenditures for which hotel/motel occupancy taxes are used. Occupancy tax revenues are primarily to attract tourist and new businesses to the City.

The Donations Fund holds funds contributed (donated) to the City for special projects earmarked by requests or nonrecurring expenditures. It primarily collects and holds funds that are voluntarily given by the citizens via adding $1.50 to their water utility billing which is then distributed to support the activities of the library and neighborhood services departments.

The Special Investigations Fund is mandated by state statute to account for various legal seizure and forfeiture deposits and expenditures.

The Drainage Utility Fund accounts for the establishment of drainage facilities within the municipal boundaries of the City and the subsequent billing and collection of fees so established.

The Crime Control and Prevention District Fund accounts for the accumulation and use of half-cent sales tax proceeds dedicated for crime prevention and reduction programs.

The Economic Development Fund accounts for the accumulation and expenditure of resources designed to stimulate the local economy through development and redevelopment.

The Traffic Safety Fund accounts for funds collected from various red-light traffic safety cameras. These resources assist with funding of various traffic safety projects.

The Gas Development Fund accounts for the accumulation and expenditures of resources from gas drilling and exploration on City owned property.

The PEG Access Fee Fund accounts for state restricted fees collected and the expenditures using these monies.

The Court Special Revenue Fund accounts for the City's court building security and technology fees that are generated from court citation fines. According to state law, the revenue generated from these fees may only be spent on the municipal court.

CAPITAL PROJECTS FUND

The City Point Development Project Fund accounts for public improvements funded by special assessment debt for the benefit of citizens within TIF #3.

DEBT SERVICE FUNDS

Tax Increment Financing District #3 (TIF #3) Fund is used to accumulate monies for the payment of principal, interest, and related charges on the special assessment bonds of TIF #3.

The City Point Development Bond Fund is used to accumulate monies for the payment of principal, interest, and related charges on the special assessment bonds of the public improvement district.

NORTH RICHLAND HILLS
NRH
1953
TEXAS

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2024

	Special Revenue			
	Promotional	**Donations**	**Special Investigations**	**Drainage Utility**
Assets				
Cash and cash equivalents	$ 559,865	$ 471,747	$ 336,297	$ 1,841,502
Investments	570,324	476,473	339,307	1,884,235
Receivables, net of allowance:				
Accounts	-	-	-	194,080
Other taxes receivable	117,926	-	-	-
Interest receivable	259	216	154	856
Other receivables	-	-	-	-
Assets limited to use:				
Cash and cash equivalents	-	-	-	-
Total Assets	$ 1,248,374	$ 948,436	$ 675,758	$ 3,920,673
Liabilities				
Accounts payable	$ -	$ 1,802	$ 820	$ -
Accrued liabilities	-	-	-	-
Deposits and other liabilities	-	733	13,020	-
Unearned revenue	-	-	141,055	-
Total Liabilities	-	2,535	154,895	-
Fund Balances				
Restricted:				
Municipal court technolgy & security	-	-	-	-
Franchise PEG Fees	-	-	-	-
Crime control district	-	-	-	-
Debt service	-	-	-	-
Promotional & economic development	1,248,374	-	-	-
Public safety	-	-	520,863	-
Capital projects (bond funded)	-	-	-	-
Committed:				
Donations	-	945,901	-	-
Drainage Utility	-	-	-	3,920,673
Gas development	-	-	-	-
Total Fund Balances	1,248,374	945,901	520,863	3,920,673
Total Liabilities, Deferred Inflows and Fund Balances	$ 1,248,374	$ 948,436	$ 675,758	$ 3,920,673

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2024

	Special Revenue			
	Crime Control District	**Economic Development**	**Traffic Safety**	**Gas Development**
Assets				
Cash and cash equivalents	$ 165,167	$ 516,459	$ 282,088	$ 1,633,637
Investments	144,386	447,596	288,772	1,667,656
Receivables, net of allowance:				
Accounts	-	-	-	25,146
Other taxes receivable	1,207,297	-	-	-
Interest receivable	66	203	131	757
Other receivables	-	-	-	-
Assets limited to use:				
Cash and cash equivalents	1,793,591	-	-	-
Total Assets	$ 3,310,507	$ 964,258	$ 570,991	$ 3,327,196
Liabilities				
Accounts payable	$ 32,265	$ -	$ 1,850	$ -
Accrued liabilities	68,609	-	-	-
Deposits and other liabilities	66	-	214	-
Unearned revenue	-	-	-	-
Total Liabilities	100,940	-	2,064	-
Fund Balances				
Restricted:				
Municipal court technolgy & security	-	-	-	-
Franchise PEG Fees	-	-	-	-
Crime control district	3,209,567	-	-	-
Debt service	-	-	-	-
Promotional & economic development	-	964,258	-	-
Public safety	-	-	568,927	-
Capital projects (bond funded)	-	-	-	-
Committed:				
Donations	-	-	-	-
Drainage Utility	-	-	-	-
Gas development	-	-	-	3,327,196
Total Fund Balances	3,209,567	964,258	568,927	3,327,196
Total Liabilities, Deferred Inflows and Fund Balances	$ 3,310,507	$ 964,258	$ 570,991	$ 3,327,196

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2024

	Special Revenue		Capital Projects	Debt Service
	PEG Access Fee Fund	Court Special Revenue	City Point Development Project Fund	TIF #3 Debt Service Fund
Assets				
Cash and cash equivalents	$ 549,610	$ 463,294	$ 49,266	$ 75,695
Investments	555,886	469,254	-	-
Receivables, net of allowance:				
Accounts	-	-	-	-
Other taxes receivable	-	-	-	-
Interest receivable	252	213	-	-
Other receivables	20,225	-	-	-
Assets limited to use:				
Cash and cash equivalents	-	-	-	-
Total Assets	$ 1,125,973	$ 932,761	$ 49,266	$ 75,695
Liabilities				
Accounts payable	$ -	$ 4,270	$ -	$ 19,503
Accrued liabilities	-	-	-	-
Deposits and other liabilities	-	3,300	-	-
Unearned revenue	-	-	-	3,150
Total Liabilities	-	7,570	-	22,653
Fund Balances				
Restricted:				
Municipal court technolgy & security	-	925,191	-	-
Franchise PEG Fees	1,125,973	-	-	-
Crime control district	-	-	-	-
Debt service	-	-	-	-
Promotional & economic development	-	-	-	53,042
Public safety	-	-	-	-
Capital projects (bond funded)	-	-	49,266	-
Committed:				
Donations	-	-	-	-
Drainage Utility	-	-	-	-
Gas development	-	-	-	-
Total Fund Balances	1,125,973	925,191	49,266	53,042
Total Liabilities, Deferred Inflows and Fund Balances	$ 1,125,973	$ 932,761	$ 49,266	$ 75,695

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2024

	Debt Service	
	City Point Development Bond Fund	Total Non-Major Governmental Funds
Assets		
Cash and cash equivalents	$ 1,027,788	$ 7,972,415
Investments	-	6,843,889
Receivables, net of allowance:		
Accounts	-	219,226
Other taxes receivable	-	1,325,223
Interest receivable	-	3,107
Other receivables	-	20,225
Assets limited to use:		
Cash and cash equivalents	-	1,793,591
Total Assets	$ 1,027,788	$ 18,177,676
Liabilities		
Accounts payable	$ -	$ 60,510
Accrued liabilities	-	68,609
Deposits and other liabilities	-	17,333
Unearned revenue	-	144,205
Total Liabilities	-	290,657
Fund Balances		
Restricted:		
Municipal court technolgy & security	-	925,191
Franchise PEG Fees	-	1,125,973
Crime control district	-	3,209,567
Debt service	1,027,788	1,027,788
Promotional & economic development	-	2,265,674
Public safety	-	1,089,790
Capital projects (bond funded)	-	49,266
Committed:		
Donations	-	945,901
Drainage Utility	-	3,920,673
Gas development	-	3,327,196
Total Fund Balances	1,027,788	17,887,019
Total Liabilities, Deferred Inflows and Fund Balances	$ 1,027,788	$ 18,177,676

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	Special Revenue			
	Promotional	**Donations**	**Special Investigations**	**Drainage Utility**
Revenues				
Taxes	$ 446,332	$ -	$ -	$ -
Charges for services	-	10,100	3,781	1,763,632
Gas utility leases and royalties	-	-	-	-
Fines	-	-	-	-
Contributions	-	248,547	-	-
Special assessments	-	-	-	-
Investment income	63,164	52,732	32,401	190,973
Intergovernmental	-	8,388	-	-
Forfeitures	-	-	64,517	-
Miscellaneous	-	5,683	497	-
Total Revenues	509,496	325,450	101,196	1,954,605
Expenditures				
General government	131,430	23,157	-	-
Public safety	-	3,256	47,583	-
Culture and recreation	154,144	111,782	-	-
Public works	-	-	-	357,005
Capital outlay:				
Capital Outlay	2,186	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	287,760	138,195	47,583	357,005
Excess (deficiency) of revenues over expenditures	221,736	187,255	53,613	1,597,600
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	(40,000)	-	(889,213)
Total Other Financing Sources (Uses)	-	(40,000)	-	(889,213)
Net change in fund balances	221,736	147,255	53,613	708,387
Fund Balances - Beginning of Year	1,026,638	798,646	467,250	3,212,286
Fund Balances - End of Year	$ 1,248,374	$ 945,901	$ 520,863	$ 3,920,673

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	Special Revenue			
	Crime Control District	**Economic Development**	**Traffic Safety**	**Gas Development**
Revenues				
Taxes	$ 7,129,066	$ -	$ -	$ -
Charges for services	-	74,394	-	-
Gas utility leases and royalties	-	-	-	335,440
Fines	-	-	-	-
Contributions	-	-	-	-
Special assessments	-	-	-	-
Investment income	116,206	53,781	40,443	186,185
Intergovernmental	426,552	-	-	-
Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	7,671,824	128,175	40,443	521,625
Expenditures				
General government	-	159,736	-	-
Public safety	6,693,131	-	92,121	-
Culture and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay:				
Capital Outlay	202,586	-	34,855	-
Debt service:				
Principal retirement	3,193	-	-	-
Interest and fiscal charges	33	-	-	-
Total Expenditures	6,898,943	159,736	126,976	-
Excess (deficiency) of revenues over expenditures	772,881	(31,561)	(86,533)	521,625
Other Financing Sources (Uses)				
Transfers in	-	174,441	-	-
Transfers out	(107,130)	-	-	-
Total Other Financing Sources (Uses)	(107,130)	174,441	-	-
Net change in fund balances	665,751	142,880	(86,533)	521,625
Fund Balances - Beginning of Year	2,543,816	821,378	655,460	2,805,571
Fund Balances - End of Year	$ 3,209,567	$ 964,258	$ 568,927	$ 3,327,196

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	Special Revenue		Capital Projects	Debt Service
	PEG Access Fee Fund	Court Special Revenue	City Point Development Project Fund	TIF #3 Debt Service Fund
Revenues				
Taxes	$ 86,862	$ -	$ -	$ 44,811
Charges for services	-	-	-	-
Gas utility leases and royalties	-	-	-	-
Fines	-	120,789	-	-
Contributions	-	-	-	-
Special assessments	-	-	-	-
Investment income	33,617	33,201	2,158	-
Intergovernmental	-	-	-	-
Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	120,479	153,990	2,158	44,811
Expenditures				
General government	13,899	-	-	19,855
Public safety	-	145,588	-	-
Culture and recreation	-	-	-	-
Public works	-	-	83,579	-
Capital outlay:				
Capital Outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	8,000	-
Total Expenditures	13,899	145,588	91,579	19,855
Excess (deficiency) of revenues over expenditures	106,580	8,402	(89,421)	24,956
Other Financing Sources (Uses)				
Transfers in	1,019,393	916,789	95,355	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	1,019,393	916,789	95,355	-
Net change in fund balances	1,125,973	925,191	5,934	24,956
Fund Balances - Beginning of Year	-	-	43,332	28,086
Fund Balances - End of Year	$ 1,125,973	$ 925,191	$ 49,266	$ 53,042

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	Debt Service	
	City Point Development Bond Fund	Total Non-major Governmental Funds
Revenues		
Taxes	$ -	$ 7,707,071
Charges for services	-	1,851,907
Gas utility leases and royalties	-	335,440
Fines	-	120,789
Contributions	-	248,547
Special assessments	721,410	721,410
Investment income	60,983	865,844
Intergovernmental	-	434,940
Forfeitures	-	64,517
Miscellaneous	-	6,180
Total Revenues	782,393	12,356,645
Expenditures		
General government	-	348,077
Public safety	-	6,981,679
Culture and recreation	-	265,926
Public works	-	440,584
Capital outlay:		
Capital Outlay	-	239,627
Debt service:		
Principal retirement	190,000	193,193
Interest and fiscal charges	422,643	430,676
Total Expenditures	612,643	8,899,762
Excess (deficiency) of revenues over expenditures	169,750	3,456,883
Other Financing Sources (Uses)		
Transfers in	-	2,205,978
Transfers out	(95,355)	(1,131,698)
Total Other Financing Sources (Uses)	(95,355)	1,074,280
Net change in fund balances	74,395	4,531,163
Fund Balances - Beginning of Year	953,393	13,355,856
Fund Balances - End of Year	$ 1,027,788	$ 17,887,019

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL DEBT SERVICE FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property Taxes	$ 14,253,865	$ 14,253,865	$ 14,253,865	$ -
Transfers	846,018	846,018	846,018	-
Miscellaneous	120,352	161,082	193,311	32,229
Total Revenues	15,220,235	15,260,965	15,293,194	32,229
Expensenditures				
Debt service payment	15,160,235	15,160,235	15,116,435	43,800
Issuance costs/paying agent fees	6,075	6,075	9,272	(3,197)
Total Expenses	15,166,310	15,166,310	15,125,707	40,603
Net Increase	$ 53,925	$ 94,655	$ 167,487	$ 72,832
Net change in fund balance - GAAP			$ 167,487	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - PROMOTIONAL FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Hotel/motel occupancy taxes	$ 350,000	$ 350,000	$ 446,332	$ 96,332
Miscellaneous	19,375	42,315	41,529	(786)
Other	29,041	-	21,633	21,633
Total Revenues	398,416	392,315	509,494	117,179
Expenditures				
Operating expenses:				
Economic Development	190,893	140,502	131,235	9,267
Parks and recreation	205,858	203,553	156,328	47,225
Non-departmental	1,665	1,576	195	1,381
Sub-total operating expenses	398,416	345,631	287,758	57,873
Other & Reserves				
Planned contributions to fund balance	-	46,684	-	46,684
Total Expenditures	398,416	392,315	287,758	104,557
Net Increase	$ -	$ -	$ 221,736	$ (221,736)
Net change in fund balance - GAAP			$ 221,736	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - DONATIONS FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Parks and recreation program donationis	$ 52,800	$ 87,775	$ 122,958	$ 35,183
Library program donations	44,800	44,800	44,449	(351)
Neighborhood services prograrm donations	86,800	99,800	81,427	(18,373)
Public safety program donations	25,350	25,350	20,050	(5,300)
Teen court program donations	4,041	4,125	3,983	(142)
Investment income	9,215	35,099	52,579	17,480
Appropriation of fund balance	-	13,901	-	(13,901)
Total Revenues	223,006	310,850	325,446	14,596
Expenditures				
Parks and recreation programs	$ 80,500	$ 124,739	$ 86,059	38,680
Library programs	53,391	53,391	25,718	27,673
Neighborhood services programs	56,000	83,000	36,157	46,843
Public safety programs	18,720	18,720	3,257	15,463
Teen court program	4,000	4,000	-	4,000
Sub-total departments	212,611	283,850	151,191	132,659
Other & Reserves				
Capital project transfers	-	27,000	27,000	-
Sub-total other & reserves	-	27,000	27,000	-
Total Expenditures	212,611	310,850	178,191	132,659
Net Increase	$ 10,395	$ -	147,255	$ 147,255
Net change in fund balance - GAAP			$ 147,255	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - SPECIAL INVESTIGATIONS FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Federal forfeited funds	$ 50,000	$ 50,000	$ 172,548	$ 122,548
State forfeited funds	35,000	35,000	29,608	(5,392)
Local forfeited funds	1,000	1,000	3,416	2,416
AFIS reimbursements	11,175	11,175	4,958	(6,217)
Miscellaneous	6,375	21,006	74,250	53,244
Appropriation of fund balance	172,350	158,812	-	(158,812)
Total Revenues	275,900	276,993	284,780	7,787
Expenditures				
Federal Forfeited Funds	175,000	175,000	31,493	143,507
State Forfeiture Funds	85,000	85,000	36,649	48,351
Local Forfeited funds	1,000	1,000	13,476	(12,476)
AFIS Maintenance & Equipment	14,900	15,993	13,175	2,818
LEOSE Training	-	-	6,121	(6,121)
Total Expenditures	275,900	276,993	100,914	176,079
Net Increase	$ -	$ -	183,866	$ 183,866
Reconciliation between budgetary basis actual and GAAP				
Planned Contributions			(183,584)	
Miscellaneous			53,331	
Net change in fund balance - GAAP			$ 53,613	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - DRAINAGE UTILITY FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ 1,725,000	$ 1,725,000	$ 1,763,635	$ 38,635
Interest income	44,450	119,525	190,970	71,445
Total Revenues	1,769,450	1,844,525	1,954,605	110,080
Expenditures				
Drainage utility crew	382,172	385,690	353,195	32,495
Non-departmental	5,523	5,255	3,810	1,445
Debt service payment	189,213	189,213	189,213	-
Capital project transfers	700,000	700,000	700,000	-
Planned contributions to fund balance	492,542	564,367	-	564,367
Total Expenditures	1,769,450	1,844,525	1,246,218	598,307
Net Increase	$ -	$ -	708,387	$ 708,387
Net change in fund balance - GAAP			$ 708,387	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - CRIME CONTROL DISTRICT
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax	$ 7,011,508	$ 7,011,454	$ 6,988,288	$ (23,166)
Franchise fees	123,725	140,778	140,778	-
SRO reimbursement (BISD)	340,168	340,168	340,168	-
Victim assistance program	50,716	50,716	53,916	3,200
Miscellaneous	73,045	88,193	148,674	60,481
Appropriation of fund Balance	112,928	155,829	-	(155,829)
Total Revenues	7,712,090	7,787,138	7,671,824	(115,314)
Expenditures				
Operating:				
Administration	17,978	22,845	22,675	170
Community resources	1,141,034	1,173,513	1,315,168	(141,655)
Victim assistance program	28,575	28,968	28,308	660
Investigations	727,141	701,405	636,956	64,449
Uniform patrol	4,374,110	4,359,899	3,934,841	425,058
Technical services	575,325	562,371	531,149	31,222
Property / Evidence	49,875	105,409	76,252	29,157
Partner agency funding	60,497	60,987	50,017	10,970
Non-Departmental	655,513	689,699	266,379	423,320
Sub-total operating	7,630,048	7,705,096	6,861,745	843,351
Other & Reserves:				
Transfer to other funds	82,042	82,042	144,328	(62,286)
Sub-total other & reserves	82,042	82,042	144,328	(62,286)
Total Expenditures	7,712,090	7,787,138	7,006,073	781,065
Net Increase	$ -	$ -	665,751	$ 665,751
Net change in fund balance - GAAP			$ 665,751	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - ECONOMIC DEVELOPMENT FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Park Fund transfer in	$ 175,950	$ 175,322	$ 174,441	$ (881)
Other	19,000	36,057	128,175	92,118
Total Revenues	194,950	211,379	302,616	91,237
Expenditures				
Other expenses	191,000	191,000	159,736	31,264
Planned contributions to fund balance	3,950	20,379	-	20,379
Total Expenditures	194,950	211,379	159,736	51,643
Net Increase	$ -	$ -	142,880	$ 142,880
Net change in fund balance - GAAP			$ 142,880	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - TRAFFIC SAFETY FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Interest income	$ 14,700	$ 25,937	$ 40,443	$ 14,506
Appropriation of fund balance	125,232	121,068	-	(121,068)
Total Revenues	139,932	147,005	40,443	(106,562)
Expenditures				
Traffic enforcement / traffic safety	37,050	37,050	34,855	2,195
Pedestrian safety	102,882	109,955	92,121	17,834
Total Expenditures	139,932	147,005	126,976	20,029
Net Decrease	$ -	$ -	(86,533)	$ (86,533)
Net change in fund balance - GAAP			$ (86,533)	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - GAS DEVELOPMENT FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Royalty payments	$ 600,000	$ 348,749	$ 335,440	$ (13,309)
Interest income	40,700	125,486	122,192	(3,294)
Miscellaneous	-	-	63,993	63,993
Total Revenues	640,700	474,235	521,625	47,390
Expenditures				
Other & Reserves:				
Planned contributions to fund balance	640,700	474,235	-	474,235
Sub-total other & reserves	640,700	474,235	-	474,235
Total Expenditures	640,700	474,235	-	474,235
Net Increase	$ -	$ -	521,625	$ 521,625
Net change in fund balance - GAAP			$ 521,625	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - PEG ACCESS FEE FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
PEG fees	$ 115,000	$ 115,000	$ 86,862	$ (28,138)
Other	15,000	37,140	33,617	(3,523)
Total Revenues	130,000	152,140	120,479	(31,661)
Expenditures				
Operating:				
Equipment expenses	54,685	39,800	13,899	25,901
Sub-total operating	54,685	39,800	13,899	25,901
Other & Reserves:				
Planned contributions to fund balance	75,315	112,340	-	112,340
Sub-total other & reserves	75,315	112,340	-	112,340
Total Expenditures	130,000	152,140	13,899	138,241
Net Increase	$ -	$ -	106,580	$ 106,580
Reconciliation between budgetary basis actual and GAAP				
Planned contributions			1,019,393	
Net change in fund balance - GAAP			$ 1,125,973	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - COURT SPECIAL REVENUE FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Court Fees	$ 10,800	$ 10,800	$ 14,614	$ 3,814
Muncipal Court Technology Fee	32,025	25,547	24,600	(947)
Municipal Court Building Security Fee	40,000	30,989	36,196	5,207
Local Truancy Prevention / Diversion Fee	40,000	34,743	45,379	10,636
Other	35,056	73,127	68,255	(4,872)
Appropriation of fund balance	116,426	84,459	-	(84,459)
Total Revenues	274,307	259,665	189,044	(70,621)
Expenditures				
Operating:				
Warrant Division	98,786	96,865	48,042	(48,823)
Teen Court Division	86,721	84,800	90,131	5,331
Court IT Technology/Equipment	78,000	78,000	7,414	(70,586)
Sub-total operating	263,507	259,665	145,587	(114,078)
Other & Reserves:				
Planned contributions to fund balance	10,800	-	-	-
Sub-total other & reserves	10,800	-	-	-
Total Expenditures	274,307	259,665	145,587	(114,078)
Net Increase	$ -	$ -	43,457	$ 43,457
Reconciliation between budgetary basis actual and GAAP				
Planned contributions			881,734	
Net change in fund balance - GAAP			$ 925,191	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - TIF 3 DEBT SERVICE FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 34,590	$ 34,590	$ 33,362	$ (1,228)
Tarrant County	11,860	11,860	11,449	(411)
Total Revenues	46,450	46,450	44,811	(1,639)
Expenditures				
Operating:				
Public improvement district contribution	22,100	22,100	19,855	2,245
Sub-total operating	22,100	22,100	19,855	2,245
Other & Reserves:				
Planned contributions to fund balance	24,350	24,350	-	24,350
Sub-total other & reserves	24,350	24,350	-	24,350
Total Expenditures	46,450	46,450	19,855	26,595
Net Increase	$ -	$ -	24,956	$ 24,956
Net change in fund balance - GAAP			$ 24,956	

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Utility Fund – To account for the distribution of water, transportation of wastewater, and solid waste removal services provided to the residents of the City. All activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, financing and debt service, and billing and collections. All activities of the fund are supported by the customers of the utility.

Aquatic Park Fund - To account for the operation of NRH2O, the City's public water park. All activities necessary to operate the park are accounted for in the fund, including, but not limited to, administration, park operations, park maintenance, and financing and debt service. All activities of the fund are supported by the patrons of the water park.

Golf Course Fund – To account for the operations of Iron Horse Golf Course, the City's public golf course. All activities necessary to operate the course are accounted for in the fund, including, but not limited to, administration, operations, course maintenance, and financing and debt service. The Golf Course in the only non-major proprietary fund. All activities of the fund are supported by the patrons of the golf course.

INTERNAL SERVICE FUNDS

Facility and Construction Services Fund – To account for building maintenance and repair services provided to numerous departments located at various sites throughout the City. Facility and Construction Services Fund operations are financed by charges to user departments.

Fleet Services Fund – To account for the maintenance, repair service, and replacement of vehicles and equipment provided to numerous departments responsible for the operation of City vehicles and equipment. Fleet Services Fund operations are financed by charges to user departments.

Self-Insurance Fund – To account for the payment of substantially all claims except for fire insurance coverage and employee life insurance coverage. Self-Insurance Fund operations are financed by charges to user departments and employee contributions.

Information Technology Fund – To account for the acquisition, maintenance, and support of computer and telephone hardware and software. Information Technology Fund operations are financed by charges to user departments.

NORTH RICHLAND HILLS
NRH
1953
TEXAS

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

September 30, 2024

	Facilities and Construction Services	Fleet Services	Self Insurance	Information Technology	Total Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	$ 1,112,419	$ 1,775,790	$ 9,201,013	$ 500,181	$ 12,589,403
Investments	1,133,429	1,869,796	12,568,783	512,570	16,084,578
Accounts receivable, net of allowances:					
Other	-	89,710	211,338	5,374	306,422
Interest receivable	515	849	5,707	233	7,304
Lease receivable	-	-	-	14,326	14,326
Prepaid items	-	-	-	54,780	54,780
Inventories, at cost	36,434	338,664	-	-	375,098
Total current assets	2,282,797	4,074,809	21,986,841	1,087,464	29,431,911
Noncurrent assets:					
Restricted cash and cash equivalents	-	90,947	3,410,000	-	3,500,947
Interfund loan receivable	-	-	500,000	-	500,000
Capital assets, net:					
Buildings and improvements	179,220	-	-	-	179,220
Other improvements	1,616,618	-	-	602,769	2,219,387
Machinery and equipment	970,326	11,760,353	13,312	7,307,408	20,051,399
Subscription assets	-	-	-	752,967	752,967
Construction in progress	951,477	64,567	-	2,099,123	3,115,167
Accumulated depreciation	(775,432)	(6,510,700)	(13,312)	(3,609,191)	(10,908,635)
Net capital assets	2,942,209	5,314,220	-	7,153,076	15,409,505
Total noncurrent assets	2,942,209	5,405,167	3,910,000	7,153,076	19,410,452
Total Assets	5,225,006	9,479,976	25,896,841	8,240,540	48,842,363
Deferred Outflows of Resources					
Deferred outflows - OPEB	74,726	81,886	40,737	98,479	295,828
Deferred outflows - Pension	743,358	644,736	440,074	439,493	2,267,661
Total Deferred Outflows of Resources	818,084	726,622	480,811	537,972	2,563,489
Liabilities					
Current liabilities:					
Accounts payable and accrued expenses	108,872	208,125	8,562	86,326	411,885
Other current liabilities	277	44	3,552,992	6	3,553,319
Compensated absences	12,971	12,370	318	21,195	46,854
Accrued interest payable	-	-	-	9,969	9,969
Lease liabilities	560	591	648	404	2,203
Subscription liabilities	-	-	-	195,105	195,105
Total current liabilities	122,680	221,130	3,562,520	313,005	4,219,335
Noncurrent liabilities:					
Subscription liabilities	-	-	-	240,643	240,643
Compensated absences	85,937	85,442	1,824	140,407	313,610
Net OPEB liability	438,821	480,865	239,222	578,305	1,737,213
Net pension liability	1,407,586	1,220,841	833,303	832,203	4,293,933
Total noncurrent liabilities	1,932,344	1,787,148	1,074,349	1,791,558	6,585,399
Total Liabilities	2,055,024	2,008,278	4,636,869	2,104,563	10,804,734
Deferred Inflows of Resources					
Deferred inflows - OPEB	327,368	358,733	178,464	431,425	1,295,990
Deferred inflows - Pension	56,918	49,367	33,696	33,652	173,633
Deferred inflows - Leases	-	-	-	21,425	21,425
Total Deferred Inflows of Resources	384,286	408,100	212,160	486,502	1,491,048
Net Position					
Net investment in capital assets	2,941,649	5,313,629	-	6,716,924	14,972,202
Unrestricted net position (deficit)	662,131	2,476,591	21,528,623	(529,477)	24,137,868
Total Net Position	$ 3,603,780	$ 7,790,220	$ 21,528,623	$ 6,187,447	$ 39,110,070

NORTH RICHLAND HILLS
NRH
1953
TEXAS

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS

For the Year Ended September 30, 2024

	Facilities and Construction Services	Fleet Services	Self Insurance	Information Technology	Total Internal Service Funds
Operating Revenues					
Internal service revenues:					
Risk management	$ -	$ -	$ 13,362,407	$ -	$ 13,362,407
Facilities and fleet management	3,165,885	4,491,812	-	-	7,657,697
Information systems management	-	-	-	4,441,947	4,441,947
Miscellaneous revenues	-	-	633,724	201,642	835,366
Total Operating Revenues	3,165,885	4,491,812	13,996,131	4,643,589	26,297,417
Operating Expenses					
Claims	-	-	14,479,383	-	14,479,383
Contractual services	1,309,565	228,587	2,507,507	437,489	4,483,148
Personnel services	1,144,393	1,030,144	448,672	1,485,127	4,108,336
Repairs and maintenance	840,897	1,351,816	-	2,832,996	5,025,709
Supplies	81,508	129,867	5,787	-	217,162
Depreciation/amortization	325,264	810,361	656	819,849	1,956,130
Total Operating Expenses	3,701,627	3,550,775	17,442,005	5,575,461	30,269,868
Operating income (loss)	(535,742)	941,037	(3,445,874)	(931,872)	(3,972,451)
Nonoperating Revenues (Expenses)					
Investment income	144,322	253,939	1,564,188	84,727	2,047,176
Interest expense	(10)	(11)	(12)	(21,418)	(21,451)
Other income	19,427	3,068	13,012	4	35,511
Gain on disposal of assets	1,771	305,017	-	11,810	318,598
Total Nonoperating Revenues (Expenses)	165,510	562,013	1,577,188	75,123	2,379,834
Income (loss) before transfers	(370,232)	1,503,050	(1,868,686)	(856,749)	(1,592,617)
Transfers					
Capital contributions	1,238,844	191,110	-	110,283	1,540,237
Transfers in	552,501	882,378	-	1,944,537	3,379,416
Transfers out	-	(725,350)	-	-	(725,350)
Total Transfers	1,791,345	348,138	-	2,054,820	4,194,303
Change in net position	1,421,113	1,851,188	(1,868,686)	1,198,071	2,601,686
Net Position - Beginning of Year	2,182,667	5,939,032	23,397,309	4,989,376	36,508,384
Net Position - End of Year	$ 3,603,780	$ 7,790,220	$ 21,528,623	$ 6,187,447	$ 39,110,070

CITY OF NORTH RICHLAND HILLS, TEXAS

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

For the Year Ended September 30, 2024

	Facilities and Construction Services	Fleet Services	Self Insurance	Information Technology	Total Internal Service Funds
Cash flows from operating activities:					
Receipts from interfund services provided	$ 3,166,123	$ 4,402,551	$ 13,898,345	$ 4,659,110	$ 26,126,129
Payments to suppliers	(2,225,089)	(1,649,235)	(14,146,911)	(3,389,360)	(21,410,595)
Payments to employees	(1,197,332)	(1,082,627)	(568,509)	(1,593,193)	(4,441,661)
Net cash provided by (used for) operating activities	(256,298)	1,670,689	(817,075)	(323,443)	273,873
Cash flows form noncapital financing activities:					
Transfers from other funds	552,501	882,378	-	1,944,537	3,379,416
Transfers to other funds	-	(725,350)	-	-	(725,350)
Other noncapital financing receipts	19,427	3,068	13,012	4	35,511
Net cash provided by noncapital financing activities	571,928	160,096	13,012	1,944,541	2,689,577
Cash flows from capital and related financing activities:					
Capital grants and contributions	1,238,844	191,110	-	110,283	1,540,237
Acquisition and construction of capital assets	(1,714,794)	(2,783,974)	-	(1,852,247)	(6,351,015)
Principal paid on leases and subscriptions	(410)	(433)	(476)	(158,516)	(159,835)
Interest paid on leases and subscriptions	(10)	(11)	(12)	(14,509)	(14,542)
Proceeds from sale of capital asset	1,771	339,863	-	11,810	353,444
Net cash used for capital and related financing activities	(474,599)	(2,253,445)	(488)	(1,903,179)	(4,631,711)
Cash flows from investing activities:					
Sale (purchase) of investments, net	94,149	247,432	589,750	694,318	1,625,649
Interest and dividends received	144,322	253,939	1,564,188	84,727	2,047,176
Net cash provided by investing activities	238,471	501,371	2,153,938	779,045	3,672,825
Net increase in cash and cash equivalents	79,502	78,711	1,349,387	496,964	2,004,564
Cash and cash equivalents, beginning of year	1,032,917	1,788,026	11,261,626	3,217	14,085,786
Cash and cash equivalents, end of year	$ 1,112,419	$ 1,866,737	$ 12,611,013	$ 500,181	$ 16,090,350
Reconciliation of Cash and Cash Equivalents to Combining Statement of Net Position - Internal Service Funds					
Cash and cash equivalents - current	$ 1,112,419	$ 1,775,790	$ 9,201,013	$ 500,181	$ 12,589,403
Cash and cash equivalents - noncurrent	-	90,947	3,410,000	-	3,500,947
Total cash and cash equivalents	$ 1,112,419	$ 1,866,737	$ 12,611,013	$ 500,181	$ 16,090,350
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	$ (535,742)	$ 941,037	$ (3,445,874)	$ (931,872)	$ (3,972,451)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	325,264	810,361	656	819,849	1,956,130
(Increase) decrease in accounts receivable	238	(89,261)	(97,786)	15,521	(171,288)
(Increase) decrease in prepaid items	-	-	278,016	139,790	417,806
(Increase) decrease in inventories	1,075	(130,863)	-	-	(129,788)
(Increase) decrease in deferred outflows - pension	423,911	367,672	250,047	251,541	1,293,171
(Increase) decrease in deferred outflows - OPEB	(9,498)	(10,408)	(5,178)	(12,516)	(37,600)
Increase (decrease) in accounts payable	5,107	191,299	2,567,750	(247,598)	2,516,558
Increase (decrease) in deferred inflows- pension	56,076	48,637	33,198	33,154	171,065
Increase (decrease) in deferred inflows - OPEB	48,848	53,529	26,630	64,376	193,383
Increase (decrease) in deferred inflows - leases	-	-	-	(11,686)	(11,686)
Increase (decrease) in compensated absences	11,621	14,350	(84,833)	(34,616)	(93,478)
Increase (decrease) in net pension/OPEB liabilities	(583,198)	(525,664)	(339,701)	(409,386)	(1,857,949)
Total adjustments	279,444	729,652	2,628,799	608,429	4,246,324
Net cash provided by (used for) operating activities	$ (256,298)	$ 1,670,689	$ (817,075)	$ (323,443)	$ 273,873
Schedule of non-cash capital and related financing activites:					
Subscriptions issued	$ -	$ -	$ -	$ 213,927	$ 213,927

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - UTILITY FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Water charges	$ 27,183,142	$ 28,381,037	$ 28,618,725	$ 237,688
Sewer charges	14,316,521	14,494,788	15,252,544	757,756
Service charges	846,764	800,268	1,527,745	727,477
Miscellaneous	328,925	873,825	980,838	107,013
Appropriation of net position	151,783	-	-	-
Total Revenues	42,827,135	44,549,918	46,379,852	1,829,934
Expenses:				
Operating:				
Water Service Expenses	16,764,478	18,437,151	18,522,902	(85,751)
Sewer Service Expenses	9,589,273	9,584,306	9,292,336	291,970
Utility Billing and Support	2,822,569	2,812,774	2,736,696	76,078
Administration	412,504	409,979	526,790	(116,811)
Development	1,318,253	1,305,045	1,186,284	118,761
Utility Construction Crew & Support	1,384,505	1,368,441	1,220,719	147,722
Right of Way Maintenance	329,345	357,622	312,835	44,787
Building Services	1,852,138	1,852,138	1,852,138	-
Non-Departmental	522,830	591,222	1,349,925	(758,703)
Sub-total operating	34,995,895	36,718,678	37,000,625	(281,947)
Other & Reserves:				
Debt Service Payment	2,578,904	2,578,904	2,564,776	14,128
Franchise Fee	1,211,438	1,211,438	1,268,028	(56,590)
Indirect Costs	2,182,176	2,182,176	2,182,176	-
Transfer for IT Purchases & Support	209,500	209,500	209,500	-
Payment in Lieu of Taxes	399,222	399,222	399,222	-
Capital Project Transfers	1,250,000	1,250,000	1,250,000	-
Sub-total others & reserve	7,831,240	7,831,240	7,873,702	(42,462)
Total Expenses	42,827,135	44,549,918	44,874,327	(324,409)
Net Increase	$ -	$ -	$ 1,505,525	$ 1,505,525
Reconciliation between budgetary basis actual and GAAP				
Miscellaneous			1,175,611	
Depreciation expense			(4,032,384)	
Debt service principal payments			2,564,776	
Increase in fair value of investments			2,081,566	
Accruals related to pension and OPEB			276,958	
Transfers in/out			192,735	
Net change in net position - GAAP			$ 3,764,787	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - AQUATIC PARK
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Admissions	$ 4,300,284	$ 4,113,400	$ 3,426,239	$ (687,161)
Food & beverage	1,163,050	951,700	831,686	(120,014)
Merchandise	254,100	219,800	181,366	(38,434)
Rentals	357,192	333,650	218,343	(115,307)
Interest income	31,000	61,544	61,241	(303)
Other income	50,000	40,000	16,083	(23,917)
Total Revenues	6,155,626	5,720,094	4,734,958	(985,136)
Expenses:				
Operating:				
General Services	1,046,360	875,490	736,909	138,581
Parks & Public Grounds	126,489	139,885	111,331	28,554
Aquatics	725,691	863,739	871,647	(7,908)
Maintenance	691,219	832,968	811,440	21,528
Business Office	47,373	40,436	39,261	1,175
Marketing / Advertising	403,418	417,752	378,398	39,354
Gift Shop	174,874	175,977	131,653	44,324
Food	222,223	242,895	215,215	27,680
Ice Cream Shop	173,749	175,849	135,895	39,954
Funnel Cake	41,384	44,454	29,648	14,806
Food Service Building	318,754	323,265	315,088	8,177
Group Sales	21,308	48,180	13,439	34,741
Admissions	209,692	243,282	213,298	29,984
Elements of Fun	-	-	120	(120)
Birthday Parties	71,711	95,757	67,226	28,531
Catering	62,316	63,671	44,056	19,615
Rentals	14,296	11,639	11,762	(123)
Northfield	-	-	-	-
Non-Departmental	120,764	118,799	77,633	41,166
Sub-total operating	4,471,621	4,714,038	4,204,019	510,019
Others & Reserve				
Debt Service Payment	568,551	568,551	568,801	(250)
Capital Project Transfers	375,000	375,000	375,000	-
Planned Contributions to Fund Balance	740,454	62,505	-	62,505
Sub-total others & reserve	1,684,005	1,006,056	943,801	62,255
Total Expenses	6,155,626	5,720,094	5,147,820	572,274
Net Decrease	$ -	$ -	$ (412,862)	$ (412,862)
Reconciliation between budgetary basis actual and GAAP				
Miscellaneous			206,321	
Depreciation expense			(978,952)	
Debt service principal payments			568,801	
Increase (decrease) in fair value of investments			114,016	
Net change in net position - GAAP			$ (502,676)	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - GOLF
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Green fees	$ 1,882,843	$ 1,882,843	$ 1,764,773	$ (118,070)
Pro shop	270,306	270,306	247,381	(22,925)
Driving range	135,417	135,417	142,257	6,840
Carts	405,784	405,784	399,432	(6,352)
Food & beverage	688,843	688,843	698,642	9,799
Miscellaneous	-	-	307,115	307,115
Total Revenues	3,383,193	3,383,193	3,559,600	176,407
Expenses:				
Operating:				
Pro shop	187,167	187,167	223,188	(36,021)
Pro shop: cost of goods sold	138,722	138,722	149,911	(11,189)
Driving range	21,123	21,123	17,318	3,805
Golf carts	321,944	321,944	386,923	(64,979)
Course maintenance	970,355	1,044,355	968,163	76,192
Food & beverage	299,106	299,106	311,345	(12,239)
Food & beverage: cost of goods sold	217,858	217,858	212,314	5,544
Sales & membership	104,096	104,096	103,484	612
General & administrative	572,540	583,867	876,586	(292,719)
Management fees	135,328	135,328	130,099	5,229
Sub-total operating	2,968,239	3,053,566	3,379,331	(325,765)
Other & Reserves:				
Debt service	304,415	304,415	281,209	23,206
Planned contributions to net position	110,539	25,212	-	25,212
Sub-total others & reserve	414,954	329,627	281,209	48,418
Total Expenses	3,383,193	3,383,193	3,660,540	(277,347)
Net Decrease	$ -	$ -	$ (100,940)	$ (100,940)
Reconciliation between budgetary basis actual and GAAP				
Miscellaneous			15,749	
Depreciation expense			(296,275)	
Debt service principal payments			281,209	
Increase (decrease) in fair value of investments			4,176	
Net change in net position - GAAP			$ (96,081)	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - FACILITIES AND CONSTRUCTION
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services:				
Internal service charge	$ 3,193,885	$ 3,193,885	$ 3,193,885	$ -
Interest income	50,573	94,981	90,649	(4,332)
Other income	34,500	34,500	55,698	21,198
Appropriation of net position	255,286	313,934	-	(313,934)
Total Revenues	3,534,244	3,637,300	3,340,232	(297,068)
Expenses:				
Operating:				
Administration	268,423	264,937	266,981	(2,044)
Building services	3,214,692	3,322,842	3,107,136	215,706
Rental property program	-	-	-	-
Non-department	51,129	49,521	41,419	8,102
Total Expenses	3,534,244	3,637,300	3,415,536	221,764
Net Decrease	$ -	$ -	$ (75,304)	$ (75,304)
Reconciliation between budgetary basis actual and GAAP				
Transfers			1,573,271	
Depreciation expense			(325,264)	
Debt service payments			-	
Increase (decrease) in fair value of investments			144,322	
Accruals related to pension and OPEB			104,088	
Net change in net position - GAAP			$ 1,421,113	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - FLEET SERVICES
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Internal service charge	$ 4,491,812	$ 4,491,812	$ 4,491,812	$ -
Interest income	90,431	176,584	160,789	(15,795)
Sale of city property	50,000	157,804	240,911	83,107
Miscellaneous	-	-	3,068	3,068
Appropriation of net position	-	1,449,129	-	(1,449,129)
Total Revenues	4,632,243	6,275,329	4,896,580	(1,378,749)
Expenses:				
Operating:				
Administration	318,941	308,929	280,145	28,784
Fleet services operations	1,841,644	2,066,037	1,674,163	391,874
Fire fleet maintenance operations	500,837	554,538	555,560	(1,022)
Vehicle and equipment purchases	1,195,836	2,562,782	1,854,039	708,743
Non-department	49,635	57,693	40,967	16,726
Sub-total operating	3,906,893	5,549,979	4,404,874	1,145,105
Other & Reserves:				
Debt service	616,350	616,350	616,350	-
Capital Project Transfers	109,000	109,000	109,000	-
Sub-total other & reserves	725,350	725,350	725,350	-
Total Expenses	4,632,243	6,275,329	5,130,224	1,145,105
Net Decrease	$ -	$ -	$ (233,644)	$ (233,644)
Reconciliation between budgetary basis actual and GAAP				
Depreciation expense			(810,361)	
Debt service payments			616,350	
Capital outlay			885,182	
Increase (decrease) in fair value of investments			253,939	
Accruals related to pension and OPEB			66,234	
Transfers in			1,073,488	
Net change in net position - GAAP			$ 1,851,188	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - SELF INURANCE FUND
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Health / Medical City Contribution	$ 9,528,258	$ 8,390,758	$ 8,379,033	$ (11,725)
Health / Medical Employee Contribution	2,056,826	1,941,826	1,979,809	37,983
Worker's Comp & Admin (City Contribution)	513,373	513,373	517,130	3,757
Other Insurance (City Contribution)	1,743,593	1,743,593	1,743,593	-
Flexible Spending Account (Employee Contribution)	125,000	125,000	96,527	(28,473)
Stop Loss Insurance Reimbursement	-	411,158	646,315	235,157
Interest Income	473,371	1,035,128	991,724	(43,404)
Other Income	33,700	333,700	646,736	313,036
Total Revenues	14,474,121	14,494,536	15,000,867	506,331
Expenses:				
Operating:				
Health/medical	$ 11,376,474	$ 11,376,474	$ 11,701,562	(325,088)
Worker's compensation	515,000	523,573	3,019,564	(2,495,991)
Personnel expenses	710,201	713,187	683,103	30,084
Property, liability and other insurance	1,743,592	1,743,592	1,735,712	7,880
Flexible spending account expense	125,000	125,000	91,913	33,087
Non-department	3,854	3,103	52,463	(49,360)
Sub-total operating	14,474,121	14,484,929	17,284,317	(2,799,388)
Planned contributions	-	9,607	-	9,607
Total Expenses	14,474,121	14,494,536	17,284,317	(2,789,781)
Net Decrease	$ -	$ -	(2,283,450)	$ (2,283,450)
Reconciliation between budgetary basis actual and GAAP				
Depreciation expense			(656)	
Increase (decrease) in fair value of investments			380,416	
Accruals related to pension and OPEB			35,004	
Net change in net position - GAAP			$ (1,868,686)	

CITY OF NORTH RICHLAND HILLS, TEXAS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL - INFORMATION TECHNOLOGY
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Budgetary Basis Actual	Variance with Final Budget Positive (Negative)
Revenues				
Operating:				
Internal service charge	$ 4,555,972	$ 4,602,062	$ 4,616,947	$ 14,885
Reimbursement from General fund	97,011	97,011	97,011	-
Transmitter lease	180,000	180,000	204,127	24,127
Miscellaneous	35,875	38,077	39,669	1,592
Appropriation of net position	224,780	880,367	-	(880,367)
Total Revenues	5,093,638	5,797,517	4,957,754	(839,763)
Expenses:				
Operating:				
Administration	4,096,658	4,172,068	3,874,106	297,962
Major computer systems	-	8,995	-	8,995
Public safety	962,181	1,439,379	1,072,212	367,167
Non-department	34,799	22,630	19,822	2,808
Sub-total operating	5,093,638	5,643,072	4,966,140	676,932
Capital project transfers	-	129,466	-	129,466
Planned contributions	-	24,979	-	24,979
Total Expenses	5,093,638	5,797,517	4,966,140	831,377
Net Decrease	$ -	$ -	$ (8,386)	$ (8,386)
Reconciliation between budgetary basis actual and GAAP				
Miscellaneous			(186,072)	
Depreciation expense			(819,849)	
Increase (decrease) in fair value of investments			84,727	
Accruals related to pension and OPEB			72,831	
Transfers in/out			2,054,820	
Net change in net position - GAAP			$ 1,198,071	

NORTH RICHLAND HILLS
NRH
1953
TEXAS

Statistical Section

NORTH RICHLAND HILLS
NRH
1953
TEXAS

Statistical Section

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

CITY OF NORTH RICHLAND HILLS, TEXAS

NET POSITION BY COMPONENT ***Table 1***
Last Ten Fiscal Years
Amounts in (000's)
(Accrual Basis of Accounting)

	2024	2023	2022	2021	2020
Governmental Activities					
Net investment in capital assets	$ 276,277,035	$ 278,154,454	$ 251,882,289	$ 233,115,972	$ 230,108,507
Restricted	25,715,105	19,034,768	14,550,865	26,927,746	23,228,613
Unrestricted	20,465,023	5,683,503	32,823,612	13,518,604	2,516,543
Total Governmental Activities Net Position	$ 322,457,163	$ 302,872,725	$ 299,256,766	$ 273,562,322	$ 255,853,663
Business-type Activities					
Net investment in capital assets	$ 67,553,741	$ 71,302,418	$ 64,812,681	$ 65,153,537	$ 71,094,790
Restricted	6,113,824	3,947,349	5,320,387	4,204,406	6,188,722
Unrestricted	34,360,590	31,320,512	32,657,981	24,110,383	12,239,489
Total Business-Type Activities Net Position	$ 108,028,155	$ 106,570,279	$ 102,791,049	$ 93,468,326	$ 89,523,001
Primary Government					
Net investment in capital assets	$ 343,830,776	$ 349,456,872	$ 316,694,970	$ 298,269,509	$ 301,203,297
Restricted	31,828,929	22,982,117	19,871,252	31,132,152	29,417,335
Unrestricted	54,825,613	37,004,015	65,481,593	37,628,987	14,756,032
Total Primary Government Net Position	$ 430,485,318	$ 409,443,004	$ 402,047,815	$ 367,030,648	$ 345,376,664

CITY OF NORTH RICHLAND HILLS, TEXAS

NET POSITION BY COMPONENT ***Table 1***
Last Ten Fiscal Years
Amounts in (000's)
(Accrual Basis of Accounting)

	2019	2018	2017	2016	2015
Governmental Activities					
Net investment in capital assets	$ 221,090,589	$ 214,081,749	$ 208,508,926	$ 199,625,197	$ 196,388,094
Restricted	20,825,594	16,138,949	11,257,910	4,005,996	3,451,280
Unrestricted	1,428,088	(4,852,295)	15,716,225	28,160,118	30,601,993
Total Governmental Activities Net Position	$ 243,344,271	$ 225,368,403	$ 235,483,061	$ 231,791,311	$ 230,441,367
Business-type Activities					
Net investment in capital assets	$ 73,399,637	$ 74,787,942	$ 52,999,815	$ 54,387,271	$ 57,335,778
Restricted	5,119,704	4,260,462	3,764,244	3,507,899	4,153,891
Unrestricted	8,872,010	8,737,576	9,421,299	13,365,978	17,209,164
Total Business-Type Activities Net Position	$ 87,391,351	$ 87,785,980	$ 66,185,358	$ 71,261,148	$ 78,698,833
Primary Government					
Net investment in capital assets	$ 294,490,226	$ 288,869,691	$ 261,508,741	$ 254,012,468	$ 253,723,872
Restricted	25,945,298	20,399,411	15,022,154	7,513,895	7,605,171
Unrestricted	10,300,098	3,885,281	25,137,524	41,526,096	47,811,157
Total Primary Government Net Position	$ 330,735,622	$ 313,154,383	$ 301,668,419	$ 303,052,459	$ 309,140,200

CITY OF NORTH RICHLAND HILLS, TEXAS

CHANGES IN NET POSITION ***Table 2***
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2024	2023	2022	2021	2020
Expenses					
Governmental Activities:					
General government	$ 21,009,361	$ 21,587,224	$ 14,110,928	$ 16,217,730	$ 18,402,693
Public safety	46,547,157	50,266,194	29,248,967	31,352,267	30,185,432
Culture and recreation	15,199,634	14,938,648	9,595,172	11,744,572	12,150,887
Public works	9,526,246	9,938,628	10,137,484	10,915,178	7,988,277
Interest and other fees	5,390,250	4,440,585	4,011,988	3,681,268	4,873,291
Total Governmental Activities Expenses	97,672,648	101,171,279	67,104,539	73,911,015	73,600,580
Business-Type Activities:					
Utility	41,410,943	41,285,185	35,405,018	34,126,398	35,405,045
Aquatic park	5,416,461	5,206,451	4,472,396	4,155,497	3,215,995
Golf course	3,470,116	3,182,958	3,062,987	2,812,045	2,136,067
Total Business-type Activities Expenses	50,297,520	49,674,594	42,940,401	41,093,940	40,757,107
Total Primary Government Expenses	$ 147,970,168	$ 150,845,873	$ 110,044,940	$ 115,004,955	$ 114,357,687
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	$ 6,286,457	$ 6,797,882	$ 6,126,357	$ 5,805,195	$ 5,099,784
Public safety	1,018,276	99,924	2,467,199	2,791,638	1,747,559
Culture and recreation	4,124,209	4,158,276	4,222,470	3,415,077	2,572,335
Public works	2,918,347	2,307,763	1,884,173	2,013,671	1,873,331
Operating grants and contributions	9,453,766	11,629,266	13,154,097	9,531,551	9,705,738
Capital grants and contributions	3,894,932	3,150,822	455,039	244,322	553,335
Total Governmental Activities Program Revenues	27,695,987	28,143,933	28,309,335	23,801,454	21,552,082
Business-Type Activities					
Charges for services:					
Utility	45,961,891	47,255,972	44,216,547	39,307,284	38,934,995
Aquatic park	4,657,634	5,106,502	5,308,121	4,598,425	287,217
Golf course	3,252,482	3,407,607	3,112,201	2,947,593	1,032,999
Operating grants and contributions	86,902	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total Business-type Activities Program Revenues	53,958,909	55,770,081	52,636,869	46,853,302	40,255,211
Total Primary Government Program Revenues	$ 81,654,896	$ 83,914,014	$ 80,946,204	$ 70,654,756	$ 61,807,293
Net (Expense) Revenue					
Governmental activities	$ (69,976,661)	$ (73,027,346)	$ (38,795,204)	$ (50,109,561)	$ (52,048,498)
Business-type activities	3,661,389	6,095,487	9,696,468	5,759,362	(501,896)
Total Primary Government Net Expense	$ (66,315,272)	$ (66,931,859)	$ (29,098,736)	$ (44,350,199)	$ (52,550,394)

CITY OF NORTH RICHLAND HILLS, TEXAS

CHANGES IN NET POSITION ***Table 2***

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2019	2018	2017	2016	2015
Expenses					
Governmental Activities:					
General government	$ 14,795,971	$ 7,726,396	$ 10,056,228	$ 17,381,050	$ 11,393,967
Public safety	34,641,711	10,115,202	36,900,873	36,372,485	31,515,975
Culture and recreation	12,988,181	7,985,984	13,477,176	12,638,389	12,542,034
Public works	8,100,775	10,465,375	11,362,841	9,569,723	8,958,913
Interest and other fees	3,452,789	3,562,127	3,743,076	4,016,128	4,488,461
Total Governmental Activities Expenses	73,979,427	39,855,084	75,540,194	79,977,775	68,899,350
Business-Type Activities:					
Utility	33,543,900	32,041,219	31,655,646	31,490,416	30,228,765
Aquatic park	4,556,251	4,044,801	4,863,609	5,006,324	4,354,652
Golf course	2,521,179	2,562,080	2,554,338	2,465,475	2,394,132
Total Business-type Activities Expenses	40,621,330	38,648,100	39,073,593	38,962,215	36,977,549
Total Primary Government Expenses	$ 114,600,757	$ 78,503,184	$ 114,613,787	$ 118,939,990	$ 105,876,899
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	$ 5,311,802	$ 4,835,477	$ 5,904,994	$ 4,158,829	$ 5,145,175
Public safety	3,122,234	2,757,133	2,443,763	3,486,887	3,894,194
Culture and recreation	4,179,364	3,487,459	3,274,056	3,246,982	3,104,181
Public works	1,206,002	1,100,243	1,118,102	979,812	1,063,766
Operating grants and contributions	8,356,606	7,086,384	4,910,865	3,336,301	2,966,484
Capital grants and contributions	787,186	225,013	1,647,847	4,575,258	478,587
Total Governmental Activities Program Revenues	22,963,194	19,491,709	19,299,627	19,784,069	16,652,387
Business-Type Activities					
Charges for services:					
Utility	34,803,804	37,145,864	31,983,377	30,544,439	29,826,840
Aquatic park	4,072,406	3,759,312	4,117,435	4,005,048	4,237,734
Golf course	2,560,903	2,361,058	2,543,641	2,552,175	2,335,223
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total Business-type Activities Program Revenues	41,437,113	43,266,234	38,644,453	37,101,662	36,399,797
Total Primary Government Program Revenues	$ 64,400,307	$ 62,757,943	$ 57,944,080	$ 56,885,731	$ 53,052,184
Net (Expense) Revenue					
Governmental activities	$ (51,016,233)	$ (20,363,375)	$ (56,240,567)	$ (60,193,706)	$ (52,246,963)
Business-type activities	815,783	4,618,134	(429,140)	(1,860,553)	(577,752)
Total Primary Government Net Expense	$ (50,200,450)	$ (15,745,241)	$ (56,669,707)	$ (62,054,259)	$ (52,824,715)

CITY OF NORTH RICHLAND HILLS, TEXAS

CHANGES IN NET POSITION ***Table 2***

Last Ten Fiscal Years ***Page 3 of 4***

(Accrual Basis of Accounting)

	2024	2023	2022	2021	2020
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	$ 39,173,607	$ 39,004,572	$ 37,241,474	$ 36,030,318	$ 34,618,987
Sales tax	27,974,040	27,620,289	26,399,204	23,960,318	22,014,072
Mixed beverage	152,181	159,615	150,849	128,889	125,456
Franchise and other taxes	3,822,038	4,014,100	3,755,969	3,557,946	3,818,194
Occupancy	446,332	312,158	328,965	313,649	254,203
Grants not restricted to specific programs	2,007,238	4,526,423	-	-	-
Unrestricted investment earnings	10,502,382	6,235,547	(786,588)	109,853	2,032,166
Gain on sale of capital assets	326,355	115,818	3,419,511	-	-
Miscellaneous	439,957	664,540	148,772	983,598	2,379,746
Special Items	-	-	(7,547,912)	-	-
Transfers	4,716,969	4,657,924	1,379,404	2,733,649	(684,934)
Total Governmental Activities	89,561,099	87,310,986	64,489,648	67,818,220	64,557,890
Business-Type Activities:					
Unrestricted investment earnings	2,199,758	1,279,778	(301,257)	3,112	522,875
Gain on sale of capital assets	4,248	272	232,011	-	-
Miscellaneous	309,450	1,160,617	1,074,905	41,500	1,425,737
Transfers	(4,716,969)	(4,657,924)	(1,379,404)	(2,733,649)	684,934
Total Business-Type Activities	(2,203,513)	(2,217,257)	(373,745)	(2,689,037)	2,633,546
Total Primary Government	$ 87,357,586	$ 85,093,729	$ 64,115,903	$ 65,129,183	$ 67,191,436
Changes in Net Position:					
Governmental activities	$ 19,584,438	$ 14,283,640	$ 25,694,444	$ 17,708,659	$ 12,509,392
Business-type activities	1,457,876	3,779,230	9,322,723	3,070,325	2,131,650
Total Primary Government	$ 21,042,314	$ 18,062,870	$ 35,017,167	$ 20,778,984	$ 14,641,042

CITY OF NORTH RICHLAND HILLS, TEXAS

CHANGES IN NET POSITION ***Table 2***

Last Ten Fiscal Years ***Page 4 of 4***

(Accrual Basis of Accounting)

	2019	2018	2017	2016	2015
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	$ 34,416,931	$ 32,519,445	$ 29,852,651	$ 27,060,196	$ 26,099,238
Sales tax	20,438,448	20,519,795	19,838,314	19,324,022	18,571,502
Mixed beverage	154,095	145,495	145,222	139,062	138,100
Franchise and other taxes	4,315,995	4,093,150	4,015,982	4,437,141	4,502,303
Occupancy	279,026	301,835	278,764	275,072	232,793
Unrestricted investment earnings	2,670,106	396,058	285,287	522,485	514,062
Gain on sale of capital assets	-	-	-	-	-
Miscellaneous	3,101,123	3,237,668	637,784	4,077,647	188,123
Special Items	-	-	-	-	-
Transfers	3,616,377	2,685,453	4,878,313	5,708,025	3,973,821
Total Governmental Activities	68,992,101	63,898,899	59,932,317	61,543,650	54,219,942
Business-Type Activities:					
Unrestricted investment earnings	670,582	63,542	74,378	127,777	119,568
Gain on sale of capital assets	-	-	-	-	-
Miscellaneous	1,735,383	2,153,798	157,285	3,116	35,052
Transfers	(3,616,377)	(2,685,453)	(4,878,313)	(5,708,025)	(3,973,821)
Total Business-Type Activities	(1,210,412)	(468,113)	(4,646,650)	(5,577,132)	(3,819,201)
Total Primary Government	$ 67,781,689	$ 63,430,786	$ 55,285,667	$ 55,966,518	$ 50,400,741
Changes in Net Position:					
Governmental activities	$ 17,975,868	$ 43,535,524	$ 3,691,750	$ 1,349,944	$ 1,972,979
Business-type activities	(394,629)	4,150,021	(5,075,790)	(7,437,685)	(4,396,953)
Total Primary Government	$ 17,581,239	$ 47,685,545	$ (1,384,040)	$ (6,087,741)	$ (2,423,974)

NORTH RICHLAND HILLS
NRH
1953
TEXAS

CITY OF NORTH RICHLAND HILLS, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS ***Table 3***

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	$ 126,544	$ 85,615	$ 85,038	$ 97,974	$ 112,620	$ 155,829	$ 155,629	$ 235,578	$ 134,812	$ 341,273
Restricted	-	1,805,900	1,774,039	1,740,797	1,548,032	1,345,276	1,128,109	986,704	572,174	567,522
Assigned	-	-	419,832	359,825	283,618	282,553	285,135	114,058	705,694	929,092
Unassigned	25,972,428	24,300,087	19,278,460	17,418,348	17,386,675	13,899,240	11,959,306	10,683,474	8,117,775	9,457,571
Total General Fund	26,098,972	26,191,602	21,557,369	19,616,944	19,330,945	15,682,898	13,528,179	12,019,814	9,530,455	11,295,458
All Other Governmental Funds										
Nonspendable	60,673	11,754	12,213	17,175	25,694	90,038	15,408	35,791	51,958	33,195
Restricted	71,185,886	83,214,796	51,090,659	67,879,762	59,937,737	38,419,489	33,168,349	30,949,263	29,505,140	44,653,934
Committed	28,826,093	14,908,343	27,325,952	14,730,496	3,068,399	4,733,528	2,251,461	2,130,744	2,067,819	1,565,680
Assigned	3,290,734	5,001,363	8,271,266	4,239,831	5,813,543	7,262,781	8,318,816	19,884,686	22,476,772	19,075,193
Unassigned	-	-	(356,601)	(25,398)	-	-	-	-	-	(406,809)
Total All Other Governmental Funds	103,363,386	103,136,256	86,343,489	86,841,866	68,845,373	50,505,836	43,754,034	53,000,484	54,101,689	64,921,193
Total All Governmental Funds	$ 129,462,358	$ 129,327,858	$ 107,900,858	$ 106,458,810	$ 88,176,318	$ 66,188,734	$ 57,282,213	$ 65,020,298	$ 63,632,144	$ 76,216,651

CITY OF NORTH RICHLAND HILLS, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS ***Table 4***

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2024	2023	2022	2021	2020
Revenues					
Taxes	$ 71,614,344	$ 71,114,036	$ 67,900,287	$ 63,924,362	$ 60,849,339
Licenses and permits	2,427,075	2,009,138	3,083,283	3,212,074	2,581,001
Charges for services	8,706,978	8,609,913	7,769,788	6,730,132	6,214,339
Gas utility leases and royalties	335,440	545,430	1,134,010	659,357	407,632
Fines	1,367,415	1,334,004	1,974,887	2,005,086	1,840,751
Civil citations	-	-	-	-	-
Contributions	271,089	214,832	197,035	227,365	264,029
Special assessments	721,410	499,850	963,463	940,378	-
Investment income	9,086,397	5,132,185	(358,358)	77,182	1,626,298
Intergovernmental	13,517,588	15,759,539	6,645,348	4,520,452	13,660,474
Forfeitures	64,517	117,638	108,359	126,593	56,939
Miscellaneous	386,219	367,399	562,482	443,472	652,030
Total Revenues	108,498,472	105,703,964	89,980,584	82,866,453	88,152,832
Expenditures					
General government	15,347,837	16,847,803	10,519,193	9,630,266	10,615,947
Public safety	46,025,694	47,164,771	37,763,898	36,210,406	35,964,977
Culture and recreation	12,071,868	11,485,592	10,652,798	10,106,261	9,898,855
Public works	3,928,557	4,067,904	6,590,074	6,105,740	5,308,773
Capital outlay	23,427,802	11,523,005	11,293,257	12,170,148	11,802,985
Debt Service:					
Principal retirement	11,201,221	11,074,140	22,018,562	11,130,000	10,595,000
Interest and fiscal charges	4,598,442	4,552,452	4,187,659	4,041,070	3,998,358
Bond issuance costs	-	518,072	285,378	252,062	1,273,158
Total Expenditures	116,601,421	107,233,739	103,310,819	89,645,953	89,458,053
Excess of revenues over (under) expenditures	(8,102,949)	(1,529,775)	(13,330,235)	(6,779,500)	(1,305,221)
Other Financing Sources (Uses)					
Issuance of debt	5,815,000	17,620,000	12,200,000	18,030,000	8,425,000
Issuance of refunding debt	-	-	-	245,000	3,795,000
Leases issued	-	16,998	-	-	-
Subscriptions issued	237,232	-	-	-	-
Premium on issuance of debt	80,000	1,648,072	875,378	1,418,470	1,082,100
Payment of refunded bond escrow agent	-	-	-	(258,003)	(4,182,132)
Proceeds from sale of assets	18,404	356,229	3,373,753	8,473	57,892
Insurance recoveries	23,910	16,036	-	-	-
Transfers in	12,469,258	12,408,777	20,413,520	12,365,782	20,663,183
Transfers (out)	(10,406,355)	(9,109,337)	(14,542,456)	(6,747,730)	(18,128,238)
Total Other Financing Sources (Uses)	8,237,449	22,956,775	22,320,195	25,061,992	11,712,805
Net change in fund balances before special items	134,500	21,427,000	8,989,960	18,282,492	10,407,584
Special items	-	-	(7,547,912)	-	-
Net change in fund balances	$ 134,500	$ 21,427,000	$ 1,442,048	$ 18,282,492	$ 10,407,584
Debt service as a percentage of noncapital expenditures	17.0%	16.3%	29.0%	18.7%	19.1%

CITY OF NORTH RICHLAND HILLS, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS ***Table 4***

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2019	2018	2017	2016	2015
Revenues					
Taxes	$ 59,608,600	$ 57,455,121	$ 54,092,627	$ 51,253,936	$ 49,541,169
Licenses and permits	2,550,598	2,150,745	2,326,087	2,534,768	1,520,086
Charges for services	7,446,486	7,086,865	6,120,805	6,027,624	5,904,848
Gas utility leases and royalties	519,830	555,185	454,264	263,932	664,788
Fines	2,088,401	1,973,660	2,212,430	1,892,511	2,222,995
Civil citations	-	-	1,088,773	1,322,940	1,226,567
Contributions	281,178	428,977	362,139	1,795,872	277,972
Special assessments	4,199	8,764	775	3,755	12,095
Investment income	2,203,691	385,620	304,456	475,680	437,668
Intergovernmental	5,195,951	6,892,700	6,194,623	6,121,987	4,305,248
Forfeitures	114,246	86,783	92,346	112,118	67,598
Miscellaneous	1,858,022	333,603	354,955	366,569	263,251
Total Revenues	81,871,202	77,358,023	73,604,280	72,171,692	66,444,285
Expenditures					
General government	10,497,502	10,259,209	10,447,419	9,965,076	9,299,236
Public safety	35,480,280	34,610,632	33,044,578	31,277,423	30,050,383
Culture and recreation	10,514,871	10,335,379	10,186,032	9,634,940	9,534,702
Public works	3,258,397	3,193,928	3,153,832	3,088,996	3,024,822
Capital outlay	13,463,999	19,572,041	15,089,154	27,524,601	55,831,018
Debt Service:					
Principal retirement	10,630,000	10,745,000	10,515,000	11,187,728	9,999,376
Interest and fiscal charges	3,586,252	3,941,465	4,165,468	4,327,617	4,506,910
Bond issuance costs	216,920	-	-	-	
Total Expenditures	87,648,221	92,657,654	86,601,483	97,006,381	122,246,447
Excess of revenues over (under) expenditures	(5,777,019)	(15,299,631)	(12,997,203)	(24,834,689)	(55,802,162)
Other Financing Sources (Uses)					
Issuance of debt	8,490,000	-	7,545,000	1,850,000	22,215,000
Issuance of refunding debt	4,865,000	-	1,695,000	2,006,810	10,416,576
Leases issued	-	-	-	-	-
Subscriptions issued	-	-	-	-	-
Premium on issuance of debt	738,173	-	362,160	97,212	3,265,946
Payment of refunded bond escrow agent	(5,380,743)	-	(1,682,019)	(2,025,720)	(10,416,576)
Proceeds from sale of assets	484,003	2,712,686	505,650	3,977,054	136,558
Insurance recoveries	-	-	-	-	-
Transfers in	14,220,231	12,180,950	14,617,046	19,233,421	12,337,451
Transfers (out)	(8,733,124)	(7,332,100)	(8,657,479)	(12,888,595)	(6,151,378)
Total Other Financing Sources (Uses)	14,683,540	7,561,536	14,385,358	12,250,182	31,803,577
Net change in fund balances before special items	8,906,521	(7,738,095)	1,388,155	(12,584,507)	(23,998,585)
Special items	-	-	-	-	-
Net change in fund balances	$ 8,906,521	$ (7,738,095)	$ 1,388,155	$ (12,584,507)	$ (23,998,585)
Debt service as a percentage of noncapital expenditures	19.5%	19.8%	20.4%	20.8%	20.9%

NORTH RICHLAND HILLS
NRH
1953
TEXAS

CITY OF NORTH RICHLAND HILLS, TEXAS

APPRAISED AND TAXABLE VALUE OF PROPERTY ***Table 5***

Last Ten Fiscal Years

Fiscal Year	Tax Year	Appraised Residential Property	Appraised Commercial Property	Appraised Industrial Property	Appraised Other Property[1]	Personal Property	Estimate for ARB & Incomplete	Less Tax Exempt Property	Estimated Net Taxable Value	Total Direct Tax Rate
2015	2014	3,051,185,373	1,493,156,269	27,110,792	49,727,661	324,807,300	66,663,269	956,622,434	4,056,028,230	0.61000
2016	2015	3,117,914,468	1,538,511,112	19,220,094	46,060,377	326,962,414	173,753,349	1,072,233,887	4,150,187,927	0.61000
2017	2016	3,540,397,856	1,721,550,137	26,729,937	27,615,504	312,681,455	263,198,321	1,292,478,020	4,599,695,190	0.61000
2018	2017	3,993,343,172	1,956,678,814	26,686,683	24,263,442	357,297,914	224,247,353	1,418,958,570	5,163,558,808	0.59000
2019	2018	4,355,697,880	2,116,508,756	27,218,496	35,225,850	392,810,455	138,916,899	1,415,773,177	5,650,605,159	0.58500
2020	2019	4,812,901,628	2,241,160,157	31,415,440	50,684,038	406,907,002	229,471,415	1,585,662,386	6,186,877,294	0.57200
2021	2020	5,062,264,162	2,309,546,837	32,577,105	48,806,708	418,908,297	392,770,420	1,915,679,645	6,349,193,884	0.57570
2022	2021	5,463,675,235	2,428,279,033	32,975,644	46,974,852	415,877,607	289,559,979	1,826,185,503	6,851,156,847	0.57218
2023	2022	6,150,649,072	2,782,540,860	34,289,102	64,655,044	437,574,783	253,907,630	2,147,406,099	7,576,210,392	0.54797
2024	2023	7,058,364,992	3,069,954,235	35,428,221	94,476,173	486,499,296	317,261,785	2,438,665,346	8,623,319,356	0.48939

Source: 2015 - July 25th Tarrant Appraisal District Certified Tax Roll and City budget
Beginning 2016 - December Tarrant Appraisal District Certified Tax Roll and City budget

[1] This category includes properties under protest with the appraisal review board and properties classified as incomplete by Tarrant Appraisal District at the time NRH City Council approves the Tax Rolls for the budget year. The net taxable values are those approved by City Council by resolution.

CITY OF NORTH RICHLAND HILLS, TEXAS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS ***Table 6***

(per $100 assessed value)

Last Ten Fiscal Years

	City of North Richland Hills							
Fiscal Year	General fund[2]	Debt service fund[2]	Total[2]	Junior college[1]	Birdville school district[1]	Hospital[1]	County[1]	Total
2015	0.350580	0.259420	0.610000	0.149500	1.435000	0.227897	0.264000	2.686397
2016	0.364730	0.245270	0.610000	0.149500	1.453900	0.227897	0.264000	2.705297
2017	0.348083	0.261917	0.610000	0.144730	1.453900	0.227897	0.254000	2.690527
2018	0.328640	0.261360	0.590000	0.140060	1.453900	0.224429	0.244000	2.652389
2019	0.327088	0.257912	0.585000	0.136070	1.453900	0.224429	0.234000	2.633399
2020	0.334940	0.237060	0.572000	0.130170	1.383900	0.224429	0.234000	2.544499
2021	0.343611	0.232089	0.575700	0.130170	1.380300	0.224429	0.234000	2.544599
2022	0.348864	0.223320	0.572184	0.130170	1.338000	0.224430	0.229000	2.493784
2023	0.347742	0.200230	0.547972	0.130170	1.279800	0.224430	0.224000	2.406372
2024	0.313579	0.175810	0.489389	0.112170	1.203100	0.194500	0.194500	2.193659

Sources [1] Tarrant County

[2] City records

CITY OF NORTH RICHLAND HILLS, TEXAS

PRINCIPAL PROPERTY TAXPAYERS ***Table 7***

Current Year and Nine Years Ago

Year ended September 30, 2024

Taxpayer	Type of Business	2023 Assessed Valuation*	% of Total Assessed Valuation
S2 8500 Harwood LLC	Multi Family	$ 114,800,000	1.33%
Star Delano LLC/Star Meadows LLC	Multi Family	101,500,000	1.18%
26 at City Point LLC/NRH Iron Horse LLC	Multi Family	101,050,000	1.17%
Company One LLC	Real Estate	77,301,390	0.90%
Cavalli at Iron Horse Station POE LLC	Multi Family	67,800,000	0.79%
Silver Creek LL LLC	Multi Family	70,300,000	0.82%
Sovereign at Hometown LLC	Multi Family	68,600,000	0.80%
SPI Hometown 316 DE LLC	Multi Family	63,400,000	0.74%
Frontline Shadow Creek LP/Frontline Aspen Creek LP	Multi Family	64,500,000	0.75%
Rockport NRH LLC	Multi Family	59,482,283	0.69%
		$ 788,733,673	9.17%

Year ended September 30, 2015

Taxpayer	Type of Business	2014 Assessed Valuation*	% of Total Assessed Valuation
Wal-Mart	Retail	$ 73,341,839	1.81%
Columbia N Hills Hosp Sub	Healthcare Provider	44,597,029	1.10%
BGPC Equestrian	Real Estate	37,200,000	0.92%
Ap Wp N Richland Hills Reit	Multi Family	33,700,000	0.83%
AP Wp Green Reit LLC	Multi Family	30,200,000	0.74%
Oncor Electric Delivery Co.	Utility Service Provider	29,194,168	0.72%
Company One, LLC	Real Estate	27,241,320	0.67%
Venue at Home Town LTD ETAL	Property Developer	24,186,140	0.60%
Chesapeake Operating (Wi)	Gas Utility	22,900,000	0.56%
Tyson Prepared Foods Inc	Food Manufacturer	20,237,945	0.50%
		$ 342,798,441	8.45%

* Source: Tarrant Appraisal District

NORTH RICHLAND HILLS
NRH
1953
TEXAS

CITY OF NORTH RICHLAND HILLS, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS ***Table 8***

Last Ten Fiscal Years

Fiscal Year	Tax Year	Tax Rate	Total Tax Levy for Fiscal Year[1]	Collected Within the Fiscal Year of the Levy		Collections (Refunds) in Subsequent Years	Total Collections to Date	
				Amount	Percent of Levy	Amount	Amount	Percent of Levy
2015	2014	0.61000	24,472,461	23,954,022	97.88%	473,771	24,427,793	99.82%
2016	2015	0.61000	25,342,035	24,810,326	97.90%	473,039	25,283,365	99.77%
2017	2016	0.61000	28,102,997	27,221,718	96.86%	834,632	28,056,350	99.83%
2018	2017	0.59000	30,455,592	29,254,234	96.06%	1,123,646	30,377,880	99.74%
2019	2018	0.58500	32,788,890	31,270,097	95.37%	253,717	31,523,815	96.14%
2020	2019	0.57200	35,061,148	33,251,865	94.84%	228,189	33,480,054	95.49%
2021	2020	0.57570	37,064,012	35,000,652	94.43%	204,363	35,205,015	94.98%
2022	2021	0.57218	39,369,801	37,056,767	94.12%	201,061	37,056,767	94.12%
2023	2022	0.54797	41,053,092	38,921,229	94.81%	(156,064)	38,921,229	94.81%
2024	2023	0.48939	41,274,082	39,334,504	95.30%	-	39,334,504	95.30%

[1] Amounts represent the calculated levy by the Tarrant County Tax Office prior to exemptions.

CITY OF NORTH RICHLAND HILLS, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE ***Table 9***

Last Ten Fiscal Years (dollars in thousands, except per capita)

			Governmental Activities							
Fiscal Year	Estimated Population[1]	Net Taxable Value[2]	General Obligation Bonds	Certificates of Obligation	Special Assessment	Lease Liabilities	Subscription Liabilities	Total Governmental Activities Debt	Percentage of Net Taxable Value	Governmental Activities Debt Per Capita[1]
2015	66,300	4,056,028	83,354	50,105	-	-	-	133,459	3.29%	2,013
2016	69,204	4,150,188	77,625	46,330	-	-	-	123,955	2.99%	1,791
2017	69,768	4,599,695	71,478	49,485	-	-	-	120,963	2.63%	1,734
2018	69,600	5,163,559	64,925	44,825	-	-	-	109,750	2.13%	1,577
2019	71,269	5,650,605	60,131	47,395	-	-	-	107,526	1.90%	1,509
2020	71,508	6,186,877	56,130	49,487	11,580	-	-	117,197	1.71%	1,477
2021	70,380	6,349,193	68,406	45,135	11,375	-	-	124,916	1.79%	1,613
2022	71,904	6,851,156	72,816	34,580	8,050	98	-	115,544	1.57%	1,495
2023	72,587	7,576,210	81,845	32,870	7,870	72	378	123,035	1.62%	1,695
2024	73,311	8,623,319	80,400	28,560	7,680	28	662	117,330	1.36%	1,600

	Other Gov't Activities Debt	Business-Type Activities							
Fiscal Year	Sales Tax Revenue Bonds	General Obligation Bonds	Certificates of Obligation	Leases	Total Business-type Activites	Total Primary Government[3]	Percentage of Net Taxable Value	Total Bonded Debt Per Capita[1]	Percentage of Per Capita Income[1]
2015	105	2,012	1,367	163	15,845	149,409	3.68%	2,254	7.00%
2016	-	3,452	14,980	92	18,524	142,479	3.43%	2,059	6.33%
2017	-	3,190	13,605	253	17,048	138,011	3.00%	1,978	5.73%
2018	-	2,737	12,455	175	15,367	125,117	2.42%	1,798	5.16%
2019	-	4,784	14,665	77	19,526	127,052	2.25%	1,783	4.91%
2020	-	3,949	20,772	308	25,029	142,226	2.11%	1,827	4.91%
2021	-	3,390	20,274	232	23,896	148,812	2.16%	1,953	5.02%
2022	-	2,817	22,312	176	25,305	140,849	1.94%	1,847	4.29%
2023	-	3,251	27,790	83	31,124	154,159	212.38%	2,124	3.55%
2024	-	2,752	25,845	613	29,210	146,540	199.89%	1,999	3.14%

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] See Table 13 for additional population statistics.

[2] See Table 5 for additional information on net taxable value.

[3] Includes general bonded debt, other governmental activities debt, and business-type activities debt, net of premiums and discounts.

CITY OF NORTH RICHLAND HILLS, TEXAS

DIRECT AND ESTIMATED OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Last Ten Fiscal Years

Table 10

Taxing Jurisdiction	Net Bonded Outstanding Debt	Overlapping Percentage Applicable [2]	City Share of Overlapping Debt
City of North Richland Hills	$ 117,329,985 [1]	100.00%	$ 117,329,985
Birdville Independent School District	621,060,000	49.51%	307,486,806
Hurst-Euless-Bedford	837,940,000	0.06%	502,764
Keller Independent School District	736,234,989	3.78%	27,829,683
Tarrant County	345,130,000	3.16%	10,906,108
Tarrant County Hopsital District	440,020,000	3.16%	13,904,632
Tarrant County College District	569,915,000	3.16%	18,009,314
Total Overlapping Debt			378,639,307
Total Direct and Overlapping Debt			$ 495,969,292

Source: Municipal Advisory Council of Texas

[1] Includes self-supporting debt.

[2] The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

NORTH RICHLAND HILLS
NRH
1953
TEXAS

CITY OF NORTH RICHLAND HILLS, TEXAS

COMPUTATION OF LEGAL DEBT MARGIN ***Table 11***

Last Ten Fiscal Years

Fiscal Year	Estimated Net Taxable Value	Debt Limit	Total Debt Service	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit
2015	4,056,028,230	60,840,423	11,196,142	49,644,281	18.40%
2016	4,150,187,927	62,252,819	12,709,626	49,543,193	20.42%
2017	4,599,695,190	68,995,428	11,668,135	57,327,293	16.91%
2018	5,163,558,808	77,453,382	16,751,884	60,701,498	21.63%
2019	5,650,605,159	84,759,077	16,849,964	67,909,113	19.88%
2020	6,186,877,294	92,808,952	16,435,242	76,373,710	17.71%
2021	6,349,193,884	95,237,908	17,076,637	78,161,271	17.93%
2022	6,851,156,847	102,767,353	15,481,368	87,285,985	15.06%
2023	7,576,210,392	113,643,156	13,281,601	100,361,555	11.69%
2024	8,623,319,356	129,349,790	13,825,192	115,524,598	10.69%

CITY OF NORTH RICHLAND HILLS, TEXAS

PLEDGED REVENUE COVERAGE ***Table 12***

Last Ten Fiscal Years

	Parks and Recreation Facilities Development Bonds						
Fiscal	Sales Tax	Less: Current	Net Revenue	Debt Service			
Year	Revenues	Expenditures [3]	Available [2]	Principal	Interest	Total [1]	Coverage
2015	4,648,841	(5,703,671)	(1,054,830)	455,000	109,153	564,153	(1.8)
2016	4,837,974	(5,896,984)	(1,059,010)	240,000	89,055	329,055	(3.22)
2017	4,964,710	(6,235,946)	(1,271,236)	240,000	80,393	320,393	(3.97)
2018	5,140,554	(6,328,312)	(1,187,758)	430,000	197,685	627,685	(1.89)
2019	5,113,739	(6,502,089)	(1,388,350)	350,000	174,555	524,555	(2.65)
2020	5,509,712	(6,050,286)	(540,574)	345,000	164,030	509,030	(1.06)
2021	5,995,942	(6,355,624)	(359,682)	310,000	153,005	463,005	(0.78)
2022	6,609,698	(6,730,306)	(120,608)	310,000	125,100	435,100	(0.28)
2023	6,909,918	(7,352,173)	(442,255)	310,000	132,005	442,005	(1.00)
2024	6,995,252	(7,630,115)	(634,863)	310,000	121,505	431,505	(1.47)

[1] Includes interest and fiscal agent charges.

[2] Bond covenant for sales tax revenue bonds mandates sufficient fund balance to cover average debt service payments unpaid. Negative coverage indicates that fund balance reserves are being used to cover debt service requirements. The City has sufficient fund balance coverage to pay all debt service due.

[3] Excludes capital outlay.

CITY OF NORTH RICHLAND HILLS, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS ***Table 13***

Last Ten Fiscal Years

Fiscal Year	Estimated Population [2]	Median Income [6]	Per Capita Income [6]	Median Age [6]	Education Level [6] [7]	School Enrollment [1] [5]	Unemployment Rate [3]
2015	66,300	66,475	32,176	38.6	92%	11,452	3.3%
2016	69,204	65,121	32,549	38.9	92%	11,206	3.8%
2017	69,768	66,884	34,520	39.1	92%	10,970	3.8%
2018	69,600	67,812	34,839	39.2	93%	10,917	3.4%
2019	71,269	71,338	36,296	39.5	92%	11,070	3.0%
2020	71,508	71,098	37,239	39.5	92%	10,723	3.0%
2021	70,380	74,133	38,888	39.9	93%	10,616	3.9%
2022	71,904	78,974	43,098	39.9	94%	10,791	3.2%
2023	72,587	78,435	43,378	40.2	93%	10,759	3.5%
2024	73,311	86,390	46,623	39.6	94%	10,937	3.4%

Data Sources:

[1] Birdville Independent Schools District

[2] City estimates

[3] Texas Employment Commission

[4] Includes North Richland Hills students only

[5] ESRI Business Information Solutions, Inc.

[6] Reported as a percentage of residents with a high schools diploma or greater

NORTH RICHLAND HILLS
NRH
1953
TEXAS

CITY OF NORTH RICHLAND HILLS, TEXAS

PRINCIPAL EMPLOYERS ***Table 14***

Current Year and Nine Years Ago

Year ended September 30, 2024

Employer	Employees [3]	Rank	Percentage of Total City Employment *
City of North Richland Hills	923	1	2.14%
Wal-Mart Supercenters	695	2	1.61%
Birdville ISD[1]	688	3	1.60%
Medical City North Hills	615	4	1.43%
Health Markets HQ	452	5	1.05%
Tarrant County College - NE Campus[2]	386	6	0.90%
Tyson Prepared Foods	380	7	0.88%
XPO Logistics	260	8	0.60%
Porfolio Recovery Associaties	233	9	0.54%
Smurfit Kappa	200	10	0.46%
	4,832		11.21%

Year ended September 30, 2015

Employer	Employees [3]	Rank	Percentage of Total City Employment *
Santander Consumer USA, Inc.	1,650	1	4.49%
Wal-Mart Supercenters	792	2	2.16%
Birdville ISD[1]	858	3	2.33%
North Hills Hospital	785	4	2.14%
HealthMarkets	452	5	1.23%
City of North Richland Hills	541	6	1.47%
Tarrant County College - NE Campus[2]	474	7	1.29%
Silverleaf Resorts	278	8	0.76%
Tyson Prepared Foods	380	9	1.03%
Con-Way Freight, Inc.	290	10	0.79%
	6,500		17.69%

[1] Number denotes employees working in schools in the City of North Richland Hills.

[2] Split with Hurst.

[3] Actual number of employees employed at time of reporting.

* Source: City records

CITY OF NORTH RICHLAND HILLS, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 15

Function	2024	2023	2022	2021	2020
General government					
Administration	8.00	8.00	8.00	7.00	7.00
Public information	4.50	4.50	3.50	3.50	3.50
Judicial	15.00	15.00	15.00	15.00	15.00
Finance	21.00	22.50	22.50	22.50	22.50
Nondepartmental	1.00	1.00	1.00	1.00	1.00
Human resources	1.00	1.00	1.00	1.00	1.00
Planning and inspections	12.30	12.30	12.30	12.30	12.30
Neighborhood services	22.78	22.78	21.78	21.78	21.78
Budget and research	3.00	3.00	3.00	3.00	3.00
Public relations	3.48	3.48	3.48	3.50	3.50
Total general government	92.06	93.56	91.56	90.58	90.58
Public safety					
Police	211.38	206.36	203.36	201.86	200.86
Fire	100.50	100.50	100.00	100.00	100.00
Total public safety	311.88	306.86	303.36	301.86	300.86
Culture and recreation					
Parks and recreation	147.48	147.86	147.86	148.87	149.87
Library	27.55	27.05	27.05	27.53	27.53
Economic development	3.00	3.00	3.00	3.00	3.00
Total culture and recreation	178.03	177.91	177.91	179.40	180.40
Public works	81.70	80.70	79.20	78.70	79.70
Internal services					
Building services	15.63	15.63	15.50	17.25	17.25
Equipment servces	13.00	13.00	12.00	12.00	12.00
Self-insurance	5.00	5.00	5.00	5.00	5.00
Information services	13.50	13.50	12.50	12.00	12.00
Total internal services	47.13	47.13	45.00	46.25	46.25
Total full-time equivalents	710.80	706.16	697.03	696.79	697.79

Source: City operating budget

CITY OF NORTH RICHLAND HILLS, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function	2019	2018	2017	2016	2015
General government					
Administration	7.00	7.00	6.00	5.00	5.00
Public information	3.00	3.00	3.00	4.00	4.00
Judicial	15.00	15.00	15.00	15.00	15.00
Finance	22.50	22.50	22.00	23.00	23.00
Nondepartmental	1.00	1.00	1.00	1.00	1.00
Human resources	1.00	1.00	1.00	1.00	1.00
Planning and inspections	12.30	12.30	12.30	10.30	10.30
Neighborhood services	21.78	21.78	19.73	19.73	19.73
Budget and research	3.00	3.00	3.00	3.00	3.00
Public relations	3.50	3.50	3.50	3.50	3.50
Total general government	90.08	90.08	86.53	85.53	85.53
Public safety					
Police	200.86	195.86	203.13	193.88	191.88
Fire	100.00	94.00	94.00	94.00	91.00
Total public safety	300.86	289.86	297.13	287.88	282.88
Culture and recreation					
Parks and recreation	150.24	148.25	161.95	163.48	162.10
Library	27.74	27.74	27.53	28.03	27.11
Economic development	3.00	3.00	3.00	3.00	3.00
Total culture and recreation	180.98	178.99	192.48	194.51	192.21
Public works	79.70	79.70	69.43	79.18	78.18
Internal services					
Building services	16.38	13.88	13.63	15.63	15.63
Equipment servces	12.00	13.00	13.00	13.00	13.00
Self-insurance	5.00	5.00	5.00	5.00	5.00
Information services	12.00	12.00	12.00	12.00	12.00
Total internal services	45.38	43.88	43.63	45.63	45.63
Total full-time equivalents	697.00	682.51	689.20	692.73	684.43

Source: City operating budget

CITY OF NORTH RICHLAND HILLS, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM ***Table 16***

Last Ten Fiscal Years

Function	2024	2023	2022	2021	2020
General government					
Planning and inspections					
Constrution					
Commercial units	22	8	16	24	27
Commercial value	$ 56,178	$ 14,950,000	$ 66,042,535	$ 45,570,582	$ 15,022,201
Residential units	227	114	260	306	253
Residential value	$ 90,838,760	$ 40,582,056	$ 89,428,202	$ 100,525,572	$ 80,289,238
Public Safety					
Police					
Law violations[1]	2,174	2,036	2,185	1,729	1,931
Part one offenses	2,382	1,573	1,748	1,890	1,393
Traffic violations	9,572	8,632	14,109	10,115	17,245
Calls for service	51,998	47,232	48,391	44,390	40,070
Case clearance %	40%	41%	46%	41%	46%
Fire					
Total responses	10,544	10,258	9,489	9,116	8,025
Fire responses	3,185	3,199	2,871	2,836	2,494
EMS responses	7,359	7,059	6,618	6,280	5,531
% responses < 5 minutes [3]		-	-	-	-
% responses < 4 minutes [3]	56%	32%	31%	29%	55%
% responses < 8 minutes [3]	91%	88%	92%	95%	94%
Total inspections	2,022	1,918	2,364	2,364	1,711
Culture and recreation					
Parks and recreation					
Water park admissions	166,009	165,463	194,303	181,808	12,501
Golf rounds played	45,751	42,842	44,085	44,362	18,961
Library					
Number of volumes	190,897	150,413	162,703	150,086	146,928
Annual circulation	613,549	604,512	629,931	657,608	576,827
Annual loans per capita	8.37	8.33	8.76	9.34	8.07
Public Works					
Water					
Avg daily consumption [2]	1,214,248	1,285,893	1,303,944	1,181,115	1,201,993
Peak daily consumption [2]	2,441,043	2,441,043	2,252,406	2,252,406	2,649,332
Streets					
Street overlay - miles	4	5	4	2	7
Concrete pavement repair - sq. ft.	16,475	44,981	21,010	34,550	7,810
Pothole repair - sq. ft.	5,963	7,716	6,007	8,073	4,522
Street cut - st. ft.	30,562	28,131	34,670	27,015	79,110
Sign fabrication	341	358	335	437	684

Source: City Records

[1] Excludes traffic violations.

[2] Cubic feet.

[3] New records system implemented for Fire.

Function	2019	2018	2017	2016	2015
General government					
Planning and inspections					
Construtions					
Commercial units	29	21	31	20	65
Commercial value	$ 49,609,337	$ 67,800,454	$ 53,156,352	$ 13,603,082	$ 11,481,833
Residential units	211	234	233	238	122
Residential value	$ 70,298,392	$ 80,589,505	$ 81,180,734	$ 75,615,139	$ 36,838,614
Public Safety					
Police					
Law violations[1]	2,333	2,697	2,772	2,595	3,144
Part one offenses	1,655	1,830	1,662	1,560	1,868
Traffic violations	17,953	7,721	18,404	17,566	21,305
Calls for service	39,448	123,112	120,098	111,984	112,313
Case clearance %	54%	47%	52%	23%	28%
Fire					
Total responses	8,234	8,354	8,205	7,932	7,475
Fire responses	2,549	2,691	2,567	2,402	2,221
EMS responses	5,685	5,663	5,638	5,530	5,254
% responses < 5 minutes [3]	67%	66%	56%	64%	74%
% responses < 4 minutes [3]	-	-	-	-	-
% responses < 8 minutes [3]	-	-	-	-	-
Total inspections	2,958	3,201	2,549	3,143	1,232
Culture and recreation					
Parks and recreation					
Water park admissions	185,971	184,064	202,515	221,101	227,525
Golf rounds played	46,915	42,953	49,147	47,873	43,250
Library					
Number of volumes	162,460	164,482	179,303	174,156	214,867
Annual circulation	728,605	778,166	764,520	814,070	939,022
Annual loans per capita	10.72	11.18	10.96	11.76	14.16
Public Works					
Water					
Avg daily consumption [2]	1,101,439	1,247,915	1,153,565	1,160,247	1,165,254
Peak daily consumption [2]	2,345,187	2,614,572	2,096,524	2,614,973	2,582,620
Streets					
Street overlay - miles	4	7	6	4	4
Concrete pavement repair - sq. ft.	4,324	5,166	13,921	14,052	3,113
Pothole repair - sq. ft.	8,521	4,800	3,018	4,767	4,467
Street cut - st. ft.	68,430	93,310	147,676	162,607	153,559
Sign fabrication	1,158	1,599	1,332	1,215	1,179

Source: City Records

[1] Excludes traffic violations.

[2] Cubic feet.

[3] New records system implemented for Fire.

CITY OF NORTH RICHLAND HILLS, TEXAS

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM ***Table 17***

Last Ten Fiscal Years

Function	2024	2023	2022	2021	2020
Public Safety					
Police Stations	1	1	1	1	1
Fire Stations	5	5	5	5	5
Fire hydrants	2,468	2,350	2,339	2,337	2,318
Culture and recreation					
Parks and recreation					
Parks	39	39	39	39	39
Park acreage	899	899	899	899	899
Playgrounds	21	21	22	22	22
Trails - miles	36	36	36	35[2]	31
Golf courses	1	1	1	1	1
Recreation centers	1	1	1	1	1
Athletic fields	51	51	51	53	53
Senior centers	1	1	1	1	1
Library					
Libraries	1	1	1	1	1
Public Works[1]					
Water main - miles	377	379	377	379	374
Water connections	23,951	23,749	23,570	23,317	22,990
Wastewater lines - miles	306	258	258	260	257
Wastewater connections	22,144	21,918	21,784	21,558	21,237
Storm drain - miles	142	142	142	142	141
Streets - miles	253	252	252	248	247
Street lights	3,011	3,001	2,995	2,990	2,980

Source: City Records

[1] Department's system inventory report was calculated by outside source.

[2] Addition of Mountain Bike Trails

Function	2019	2018	2017	2016	2015
Public Safety					
Police Stations	1	1	1	1	1
Fire Stations	5	5	5	5	4
Fire hydrants	2,304	2,279	2,256	2,251	2,219
Culture and recreation					
Parks and recreation					
Parks	39	39	39	34	33
Park acreage	899	899	899	735	734
Playgrounds	22	22	22	22	22
Trails - miles	31	31	31	31	30
Golf courses	1	1	1	1	1
Recreation centers	1	1	1	1	1
Athletic fields	53	53	53	53	53
Senior centers	1	1	1	1	1
Library					
Libraries	1	1	1	1	1
Public Works[1]					
Water main - miles	372	372	371	370	367
Water connections	22,707	22,492	22,233	21,988	21,329
Wastewater lines - miles	255	257	256	255	252
Wastewater connections	20,958	20,711	20,430	20,212	19,919
Storm drain - miles	140	139	139	139	139
Streets - miles	246	244	241	241	238
Street lights	2,977	2,948	2,550	2,545	2,545

Source: City Records

[1] Department's system inventory report was calculated by outside source.

[2] Addition of Mountain Bike Trails

NORTH RICHLAND HILLS
NRH
1953
TEXAS

Glossary

ACCOUNT
A term used to identify an individual asset, liability, expenditure control, revenue control, encumbrance control, or fund balance.

ACCOUNT PAYABLE
A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNT RECEIVABLE
An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government.

ACCOUNTING SYSTEM
The total set of records and procedures, which are used to record, classify, and report information on the financial status and operations of an entity.

ACCRUAL ACCOUNTING
A basis of accounting in which revenues are recognized in the period in which they are earned and become measurable, and expenses are recognized in the period incurred instead of when cash is actually received or spent.

ACCRUED INTEREST
Interest that has been earned and recorded, but has not been received.

ACFR
ACFR is an acronym for **Annual comprehensive financial report**. (See also *ANNUAL COMPREHENSIVE FINANCIAL REPORT.*)

ACTUARIAL
Relating to actuaries or their work of compiling and analyzing statistical calculations to assess risk in insurance, finance and other industries and professions.

AD VALOREM TAX (See also *PROPERTY TAX.*)
A tax based on value of land and improvements (property tax).

AGENDA
A formal listing of items to be discussed during a public meeting. Agendas for public meetings are posted 72 hours in advance, in compliance with the Open Meetings Act.

AMORTIZE
To amortize is to allocate the cost of an intangible asset over a period of time.

ANNUITY
A fixed sum of money paid to someone each year, typically for the rest of their life.

ANNUAL COMPREHENSIVE FINANCIAL REPORT
Annual comprehensive financial report (ACFR) is a set of U.S. government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board.

APPROPRIATION
An authorization granted by City Council to make expenditures and to incur obligations for specific purpose. Usually limited in amount and as to the time when it may be expended.

ARBITRAGE
With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn positive arbitrage in connection with tax-exempt bonds.

ASSESSED VALUATION
A valuation set upon real estate or other property by government as a basis for levying taxes. (See also *TAXABLE VALUE.*)

ASSETS
Property owned by a government, which has economic value.

AUDIT
In general, an official inspection of an individual's or organization's accounts by an independent body. The City's charter requires an annual audit of the books of accounts, financial records, and transactions of all administrative departments of the City by an independent certified public accountant. In practice, that means the City contracts with an independent certified public accountant to audit the year-end financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

AUDIT COMMITTEE
The Audit Committee is responsible for recommending to the City Council an independent auditor as needed, reviewing the audit of the City's basic financial statements prior to submission to the City Council, and assisting the independent auditor and city staff with the presentation of the audit to the City Council. The Audit Committee is composed of members of the City Council as well as the City Manager and the City's Director of Finance.

BALANCE SHEET
A statement purporting to present the financial position of an entity by disclosing the value of its assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equities as of a specified date.

BALANCED BUDGET
A budget in which total recurring expenditures for any fiscal year do not exceed total recurring revenues for that same fiscal year.

BASE LEVEL SERVICES
Funding required to meet current service level.

BASIC FINANCIAL STATEMENTS
The basic financial statements are comprised of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City and the related notes to the financial statements, and are subjected to an annual audit by an independent certified public accountant. The basic financial statements are included in the Annual comprehensive financial report along with unaudited information, including introductory information, required supplementary information, and statistical information.

BASIS OF ACCOUNTING
Refers to when revenues and expenditures are recognized in the accounts and reported in the financial records of the City, regardless of the measurement focus applied. Accounting records for governmental fund types are maintained on a modified accrual basis of accounting, with revenue being recorded when available and measurable, and expenditures being recorded when services or goods are received and the liabilities are incurred.

BASIS OF BUDGETING (See also *MODIFIED ACCRUAL.*)
The City's basis for budgeting is the modified accrual basis for governmental funds, including the General Fund. Budgeting for proprietary funds, which includes the Enterprise Fund, is essentially on the full accrual basis. Encumbrances are recognized by both governmental and proprietary funds since encumbrances represent a commitment of funding for goods and services.

BEGINNING BALANCE
The residual non-restricted funds brought forward from the previous fiscal year (ending balance).

BONDS
Debt instruments that require repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate or formula for determining the interest rate.

BOND DEBT
That portion of indebtedness represented by outstanding bonds.

BOND PROPOSITION
A recommendation to issue debt and a proposal as to the best use of the bonds.

BUDGET
A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. The term is also sometime used to denote the officially approved expenditure ceiling under which a government and its departments operate.

BUDGET AMENDMENT
A revision of the adopted budget that, when approved, replaces the original provision and increases or decreases the budget appropriation.

BUDGET CALENDAR
The schedule of key dates that a government follows in preparation and adoption of the budget.

BUDGET ENHANCEMENT
A request to enhance current service level beyond current funding.

BUDGET ORDINANCE
Governmental action which appropriates revenues and fund balances for specified purposes, functions, or activities for a budget period.

BUDGET PERIOD
The period for which a budget is proposed or a budget ordinance is adopted.

BUDGETARY CONTROL
The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within limitations of available appropriation and available revenues.

BUDGETED FUNDS
Funds for which annual budgets are legally adopted, as opposed to non-budgeted funds for which annual budgets are not legally adopted. Budgeted funds are typically supported by tax revenues, charges for services, fees, fines, and/or penalties, while non-budgeted funds are typically supported by transfers from other funds, grant revenue, donations, or regulated fees such as municipal court fees.

BUSINESS-TYPE ACTIVITIES
Business-type activities include any activity engaged in the primary purpose of making a profit. Business- type activities are financed in whole or in part by fees charged to external users for goods or services and are generally reported in Enterprise Funds.

CAPITAL IMPROVEMENT
The addition of a permanent structural change or the restoration of some aspect of a property that will either enhance the property's overall value, increase its useful life or adapt it to new uses.

CAPITAL IMPROVEMENT PLAN
A comprehensive plan that projects the capital needs of a community. Generally, it is a cyclical process that estimates the needs for a set number of years. Capital Improvements Plans are essential for sound infrastructure and financial planning.

CAPITAL ASSET
An item costing more than $5,000 and having a useful life of more than one year.

CAPITAL EXPENDITURE
Also called a CAPITAL OUTLAY — An expenditure to acquire a capital asset.

CAPITAL PROJECTS FUND
Is used to account for the expenditures of resources accumulated from the sale of bonds and related interest earnings for capital improvement projects.

CASH BASIS
A method of accounting in which revenues and expenses are recognized and recorded when received, not necessarily when earned.

CASH EQUIVALENTS
Cash equivalents are investments securities that are for short-term investing, and they have high credit quality and are highly liquid. Cash equivalents, also known as "cash and equivalents," are one of the three main asset classes, along with stocks and bonds. These securities have a low-risk, low-return profile and include U.S. government Treasury bills, bank certificates of deposit, bankers' acceptances, corporate commercial paper and other money market instruments.

CHART OF ACCOUNTS
The classification system used by the City to organize the accounting for various funds.

CHARTER
A written instrument setting forth principles and laws of government within boundaries of the City.

CIP
CIP is an acronym for **Capital Improvement Plan**. (See also *CAPITAL IMPROVEMENT PLAN*.)

CITY COUNCIL
The legislative body that governs the City.

CITY COUNCIL PRIORITIES
A five-year planning horizon focusing on safety, infrastructure and facilities, residential and recreational, budget and finance, and commercial redevelopment.

CITY MANAGER
An appointed official who directs the administration of the City.

CITIZEN
An inhabitant of the City.

COMPREHENSIVE PLAN
A Comprehensive Plan is to anticipate and guide future development trends in a manner that will provide a community with a balanced use of land that promotes a superior quality of life.

CONSUMER PRICE INDEX
The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. Changes in the CPI are used to assess price changes associated with the cost of living; the CPI is one of the most frequently used statistics for identifying periods of inflation or deflation. The CPI is calculated by the U.S. Bureau of Labor Statistics.

CONTINGENCY
Funds set aside in a reserve account for major expenditures or for emergencies.

COUNTERPARTY
A counterparty is the other party that participates in a financial transaction, and every transaction must have a counterparty for the transaction to go through.

CPI
CPI is an acronym for **Consumer Price Index**. (See also *CONSUMER PRICE INDEX.*)

CREDIT RISK
Credit risk is the probable risk of loss resulting from a borrower's failure to repay a loan or meet contractual obligations.

CURRENT ASSETS
Cash and other assets expected to be converted to cash, sold, or consumed within in a year or in the operating cycle.

CURRENT FINANCIAL RESOURCES MEASUREMENT
Current financial resources measurement focus is where the financial statements report the near-term (current) inflows, outflows, and balances of expendable financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operation of governmental funds.

CURRENT LIABILITIES
Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded within one year.

CUSTODIAL CREDIT RISK
In the case of deposits, this is the risk that the event of a bank failure, the City's deposits may not be returned to it. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that in the position of an outside party.

DEBT SERVICE
The amount of money required for interest and principal payments on an outstanding debt in any given year.

DEBT SERVICE FUND
Also called a SINKING FUND - A fund established to account for the accumulation of resources for the payment of principal and interest on long term debt.

DEBT RATE
The City's property tax rate has two components, the **general rate** which generates property tax revenues used to fund operations and the **debt rate** which generates property tax revenues used to fund the repayment of debt. (See also *PROPERTY TAX RATE.)*

DEFERRED INFLOW OF RESOURCES
Deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period.

DEFERRED OUTFLOW OF RESOURCES
Deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period. For example, prepaid items and deferred charges.

DEFICIT
The excess of expenditures over revenues during an accounting period; or in the case of Enterprise Funds, the excess of expense over income during an accounting period.

DELINQUENT TAXES
Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached.

DEPRECIATION
A non-cash expense that reduces the value of an asset as a result of wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

DIRECTOR OF FINANCE DEPARTMENT
The officer of the City that has primary responsibility for managing the City's finances, including financial planning, management of financial risks, record-keeping, and financial reporting.

DISCOUNT RATE
The interest rate you need to earn on a given amount of money today to end up with a given amount of money in the future.

EFFECTIVE TAX RATE
The tax rate required to generate the same amount of revenue as in the preceding year on the same properties.

ENCLAVE
A portion of territory within or surrounded by a larger territory.

ECONOMIC RESOURCES
Economic resources are the goods or services available to the City used to produce valuable consumer products. The classic economic resources include land, labor and capital.

ECONOMIC RESOURCES MEASUREMENT FOCUS
Economic resources measurement focus is where a set of financial statements reports all inflows, outflows, and balances affecting or reflecting an entity’s net position. The economic resources measurement focus is used for proprietary and trust funds, as well as for government-wide financial reporting.

ENCUMBRANCE
Obligations in the form of purchase orders, contracts, or other commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or actual liability is set up, at which point they become expenditures.

ENDING BALANCE
The dollars remaining after current expenditures for operations and debt service are subtracted from the sum of the beginning fund balance and current resources. Portions of the fund balance may be reserved for various purposes, such as contingencies or encumbrances.

ENTERPRISE FUND
A fund established to account for operations which: (a) finance and operate in a manner similar to private business enterprises-where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

EXPENDITURES
Decreases in net financial resources. They include current operating expenses that require the current or future use of net current assets, debt service, and capital outlay.

FEES
Charges for services.

FEMA
FEMA is an acronym for **Federal Emergency Management Agency**.

FIDUCIARY
A fiduciary is a person who holds a legal or ethical relationship of trust with one or more other parties (person or group of persons). Typically, a fiduciary prudently takes care of money or other assets for another person.

FINANCIAL STATEMENTS
Written records that convey the business activities and the financial performance of the City.

FISCAL FORECAST
A management tool that presents estimated information based on past, current, and projected financial conditions. This will help identify future revenue and expenditure trends that may have an immediate or long-term influence on government policies, strategic goals, or community services.

FISCAL YEAR
A twelve-month period of time to which the annual budget applies, and at the end of which, the City determines its financial position and results of operation. The fiscal year for the City of North Richland Hills runs from October 1 to September 30 of the following year.

FIXED ASSETS
Assets of long-term character intended to continue to be held or used. Examples are land, buildings, and improvements such as machinery and equipment.

FIXED COST
Costs which do not change with increases or decreases in the amount of services provided, such as rent.

FRANCHISE
A special privilege granted by a government, permitting the continued use of public property, such as City streets, and usually involving the elements of monopoly and regulation.

FTE
FTE is an acronym for **Full-Time Equivalent**. (See also *FULL TIME EQUIVALENT.)*

FULL TIME EQUIVALENT
A unit that indicates the workload of a single full-time worker. The concept is used to convert the hours worked by part-time employees into the hours worked by full-time employees. For example, someone who works a half-day would be 0.5 full time equivalents. The City budgets authorized employment positions using full time equivalents. For example, there might be a part-time library assistant position budgeted as 0.5 FTE, which would be the equivalent of one-half of a full-time employee.

FUND
A fiscal and accounting entity with a self-balancing set of accounts. A fund records cash and other financial resources, all related liabilities, residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE
The balance of net financial resources that is spendable or available. Portions of the fund balance may be reserved for various purposes, such as contingencies or encumbrances.

FUND BALANCE POLICY
A policy requiring a minimum fund balance to be kept in reserve. Fund balances over the policy requirements may be appropriated in the budget.

FUND FINANCIAL STATEMENTS
For governmental and proprietary funds, special and extraordinary items are reported separately at the bottom of the statement of revenues, expenditures and changes in fund balances or the statement of revenues, expenses and changes in net position, respectively.

FUNDING SOURCE
Specifically identified dollars allocated to meet budgeted requirements.

GAAP
GAAP is an acronym for **Generally Accepted Accounting Principles**. (See also *GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.)*

GENERAL FIXED ASSETS
Capital assets that are not assets of any particular fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental funds (as opposed to proprietary funds).

GENERAL FUND
A fund established to account for all financial resources except those required to be accounted for in another fund. Examples of General Fund departments include Parks, Facilities and Recreation, Fire Department, Library, Finance and Municipal Court, Streets and Drainage, Development Services, and Police Department.

GENERAL OBLIGATION BONDS (G.O. BONDS)
Bonds secured by the full faith and credit of the issuer. General obligation bonds issued by local units of government are secured by a pledge of the issuer's ad valorem taxing power. They are usually issued to pay for general capital improvements such as parks and streets.

GENERAL RATE
The City's property tax rate has two components, the **General Rate** which generates property tax revenues used to fund operations and the **Debt Rate** which generates property tax revenues used to fund the repayment of debt. The General Rate is sometimes referred to as the Maintenance and Operations Rate, or M&O Rate. (See also *PROPERTY TAX RATE.)*

GENERAL REVENUE
Funds acquired through business and property taxation. Monies that may be utilized for any purposes as received at the state and local levels of government.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)
The uniform minimum standards of, and guidelines to, financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time. They include both broad guidelines of general application and detailed practices and procedures. GAAP provide a standard by which to measure financial presentations.

GEOGRAPHIC INFORMATION SYSTEM
A system is designed to capture, store, manipulate, analyze, manage, and present all types of spatial or geographical data allowing one to visualize, question, analyze, and interpret data to understand relationships, patterns, and trends.

GIS
GIS is an acronym for **Geographic Information System**. (See also *GEOGRAPHIC INFORMATION SYSTEM*.)

GOVERNEMENT-WIDE FINANCIAL STATEMENTS
Government-wide financial statements report information about the government as a whole without displaying individual funds or fund types.

GOVERNMENTAL ACCOUNTING
The composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of government.

GOVERNMENTAL ACCOUNTING STANDARD BOARD (GASB)
The governing body that sets accounting standards specifically for governmental entities at the state and local level.

GOVERNMENTAL ACTIVITIES
Governmental activities are general government activities and are financed primarily through taxes. Governmental activities generally are reported in governmental funds. All general capital assets and general long-term liabilities are part of governmental activities as well. Common examples of governmental activities include general administration, public safety, education, streets and roads, and health and sanitation.

GOVERNMENTAL FINANCE OFFICERS ASSOCIATION (GFOA)
Professional association of state/provincial and local finance officers in the United States and Canada dedicated to the sound management of government financial resources.

GOVERNMENTAL FUNDS
Funds generally used to account for tax-supported activities. There are five different types of governmental funds: general funds, special revenue funds, debt service funds, capital projects funds, and permanent funds.

GRANT
A contribution by one government unit or funding source to another unit. The contribution is usually made to aid in a specified function (for example, education), but it is sometimes also for general purposes.

HOME RULE CHARTER
Texas cities operate under two different categories of local government: 1) General Law; and Home Rule. Texas law grants General Law cities limited specific authority. Cities under 5,000 in population are required to be General Law cities. Cities over 5,000 in population can adopt a Home Rule Charter which defines the structure, power, duties, and authority of the local government. Rather than looking to state statues to determine what they may do, as General Law cities must do, Home Rule cities look to their local charters to determine what they may do. A Home Rule city may generally take any action that is not prohibited by the Texas Constitution or statues as long as the authority is granted in the charter of the city. Home Rule is essentially the privilege of citizens at the grass roots level to manage their own affairs with minimal interference from the State.

INCOME
A term used in proprietary fund-type accounting to represent (1) revenues or (2) the excess of revenues over expenses.

INFRASTRUCTURE
Immovable fixed assets having value only to the governmental unit. Common examples of infrastructure include roads, sidewalks, bridges, and streetlights.

INTERGOVERNMENTAL REVENUE
Revenue received from another governmental unit for a specific purpose.

INTEREST RATE RISK
Interest rate risk is the risk that arises for bond owners from fluctuating interest rates. How much interest rate risk a bond has depends on how sensitive its price is to interest rate changes in the market. The sensitivity depends on two things, the bond's time to maturity, and the coupon rate of the bond.

INTERESTED PARTY
People or organizations who may be affected by a situation.

INTERNAL CONTROLS
Processes designed to assure achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, loss prevention, and compliance with laws, regulations, and policies.

INVESTMENTS
Securities and real estate held for production of revenue in the form of interest, dividend, rental, or lease payments. The term does not include fixed assets used in governmental operations.

LEASE/PURCHASE
A financing tool utilized to fund large capital outlays where the city may not have cash immediately available for purchase. This arrangement allows the city to use the item while payments are being made.

LED
LED is an acronym for **Light Emitting Diode**. (See also *LIGHT EMITTING DIODE*.)

LETTER OF TRANSMITTAL
A cover letter from the City's Director of Finance that accompanies the annual comprehensive financial report.

LEVY
To impose taxes or special assessments. The total of taxes or special assessments imposed by a governmental unit.

LIABILITIES
Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed, or refunded at some future date.

LIGHT EMITTING DIODE
A two-lead semiconductor light source. Light emitting diodes (LEDs) emit light through the process of electroluminescence when suitable voltage is applied. LEDs have many advantages over traditional incandescent light sources including lower energy consumption, longer lifetime, improved physical robustness, smaller size, and faster switching. LEDs are now used in applications as diverse as aviation lighting, automotive headlamps, advertising, general lighting, traffic signals, street lighting, and camera flashes.

LOCAL GOVERNMENT INVESTMENT POOL
A local government investment pool (LGIP), is a state or local government pool offered to public entities for the investment of public funds. These pools are important investments tools, offering safety with a competitive yield.

LONG-TERM DEBT
Debt with a maturity of more than one year.

LONG-TERM LIABILITIES
Long-term liabilities are financial obligations of a company that become due more than one year.

LINE ITEM BUDGET
A budget format in which departmental outlays are grouped according to the items that will be purchased with one item or group of items on each line.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
The portion of the City's Annual Comprehensive Financial Report in which management addresses the company's performance over the previous twelve months.

MAYOR
The elected head of the City.

MODIFIED ACCRUAL
City of North Richland Hills's governmental funds are budgeted using the modified accrual basis, with revenues recognized when they become measurable. Revenue is "measurable" when the amount of the transaction can be reasonably determined. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred and is expected to be liquidated within 60 days.

MUNICIPAL FACILITIES
City owned structures, mechanicals, and building systems

NET PENSION LIABILITY
The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retirees, and beneficiaries

NET POSITION
Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

NON-BUDGETED FUNDS
Funds for which an annual budget are not legally adopted, as opposed to budgeted funds for which annual budgets are legally adopted. Budgeted funds are typically supported by tax revenues, charges for services, fees, fines, and/or penalties, while non-budgeted funds are typically supported by transfers from other funds, grant revenue, donations, or regulated fees such as municipal court fees. The resources supporting non-budgeted funds are typically either transfers that were budged as expenditures at a budgeted fund or revenues that are restricted by third parties such as grant revenue, donations, or regulated fees.

NON-RECURRING REVENUE
One-time windfall revenue that is budgeted only for one fiscal year.

OPEB
OPEB is an acronym for Other Post-Employment Benefits. (See also *OTHER POSTEMPLOYMENT BENEFITS*.)

OPERATING BUDGET
Plans of current expenditures and the proposed means of financing them.

OPERATING REVENUE
Operating revenue is revenue generated from the City's business activities.

ORDINANCE
A formal legislative enactment by the City Council. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the City.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)
Other postemployment benefits (or OPEB) is a term used in the United States to describe the benefits that an employee begins to receive at the start of their retirement. These benefits do not include the pension paid to the retired employee.

OVERLAPPING DEBT
Overlapping debt refers to the financial obligations of one political jurisdiction that also falls partly on a nearby jurisdiction. Overlapping debt is common in most states because states are divided into numerous jurisdictions for different tax purposes, such as building a new public school and building a new road.

PENSION
A regular payment made during a person's retirement from an investment fund to which that person or their employer has contributed during their working life.

PLANNING AND ZONING COMMISSION
An appointed seven-member board that makes recommendations to City Council regarding the physical development of the City, including the Comprehensive Plan that serves as the basis for the City's zoning regulations. It also reviews and approves applications for subdivision plats and replats.

PROJECTION
A forecast of future trends in the operation of financial activities done through the remainder of the fiscal year to gain a better picture of the City's finances.

PROPERTY TAX
An annual or semi-annual tax paid to one or more governmental jurisdictions based on the real and personal property's assessed valuation and the tax rate, done in compliance with the State Property Tax Code.

PROPERTY TAX RATE
The rate applied to the taxable value of property to determine the property taxes due. The City's property tax rate has two components, the **general tax rate** which generates property tax revenues used to fund operations and the **debt tax rate** which generates property tax revenues used to fund the repayment of debt. Property tax rates are commonly presented as the amount of tax levied for each $100 of assessed valuation.

PROPRIETARY FUNDS
Funds generally used to account for a government's ongoing organizations and activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges or on a cost reimbursement basis. There are two types of proprietary funds: enterprise funds (used to account for any activity for which a fee is charged to external users for goods or services); and internal service funds (used to account for the provision of goods or services by one department to other departments of a governmental unit). (See *ENTERPRISE FUND*.)

PUBLIC HEARING
A public hearing may be a formal meeting for receiving testimony from the public at large on a local issue, or proposed government action. Testimony from both sides of an issue is usually recorded for public record, and a report summarizing the key points is generated.

RATINGS
Designations used by credit rating agencies to give relative indications of credit quality.

REFERENDUM
The principle or practice of referring measures proposed or passed by a legislative body, head of state, etc., to the vote of the electorate for approval or rejection (plural referenda).

REFUNDING BONDS
Bonds issued to retire bonds already outstanding.

REPORT OF INDEPENDENT AUDITORS
The report of independent auditors, published in the annual comprehensive financial report, opines on whether the City's basic financial statements comply with generally accepted accounting principles.

REQUIRED SUPPLEMENTARY INFORMATION
Required supplementary information (RSI) is information that a designated accounting standard-setter (e.g., FASB, GASB) requires to accompany the basic financial statements.

RESERVE
An account used to indicate that a portion of fund equity is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

RESOLUTION
A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

RESTRICTED NET POSITION
The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

RESTRICTED RESOURCES
Restricted resources refer to a reserve of money that can only be used for specific projects or purposes.

UNRESTRICTED RESOURCES
Unrestricted resources refer to a reserve of money that can be used as the City sees fit.

REVENUE
Revenue is (1) an increase in a governmental fund's net current assets from other than expenditure refunds and residual equity or (2) an increase in a proprietary fund's net total assets from other than expense refunds, capital contributions, and residual equity transfers.

ROLLBACK RATE
The highest tax rate an entity may adopt without being subject to a rollback election.

SCADA
SCADA is an acronym for **Supervisory Control and Data Acquisition**. (See also *SUPERVISORY CONTROL AND DATA ACQUISITION*.)

SDBF
SDBF is an acronym for **Supplemental Death Benefits Fund**. (See also *SUPPLEMENTAL DEATH BENEFITS FUND*.)

SERVICE PLANS
Each department within the City has a three-year plan, outlining their strategic priorities for the City.

SPECIAL REVENUE FUND
A Fund used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes.

STEWARDSHIP
The job of supervising or taking care of something, such as an organization or property.

STRUCTURAL BALANCE
The state at which current revenue sufficiently supports current expenditures.

SUPERVISORY CONTROL AND DATA ACQUISITION
An industrial computer system that monitors and controls a process. Supervisory control and data acquisition systems (also known as SCADA systems) are used to monitor and control a plant or equipment in industries such as telecommunications, water and waste control, energy, oil and gas refining and transportation. A SCADA system gathers information, such as where a leak on a pipeline has occurred and transfers the information back to a central site. SCADA systems frequently are used to manage processing systems that include geographically disbursed components.

SUPPLEMENTAL DEATH BENEFITS FUND (SDBF)
A cost sharing multiple-employer defined benefit group-term life insurance plan operating by the Texas Municipal Retirement System.

TAX LEVY
The total amount to be raised by general property taxes for intentions specified in the Tax Levy Ordinance.

TAX RATE
The amount of tax levied for each $100 of assessed valuation.

TAXABLE VALUE
A valuation to which the property tax rate is applied to calculate property taxes. The Taxable value of property is generally equal to the assessed valuation less any qualifying exemptions (such as a homestead exemption).

TAXES
Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits, such as special assessments, or charges for services rendered, such as sewer service.

TBD
TBD is an acronym for **To Be Determined**.

TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
TMRS is a statewide retirement system that provides retirement, disability, and death benefits for employees of participating Texas cities.

TMRS
An acronym for **Texas Municipal Retirement System**. (See also *TEXAS MUNICIPAL RETIREMENT SYSTEM.)*

TORT
A wrongful act or an infringement of a right (other than under contract) leading to civil legal liability.

TRANSFERS
Authorized exchanges of cash or other resources between funds.

UNASSIGNED FUND BALANCE
In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

UNRESTRICTED NET POSITION
The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

YIELD
The rate earned on an investment based on the price paid for the investment, the interest earned during the period held, and the selling price or redemption value of the investment.